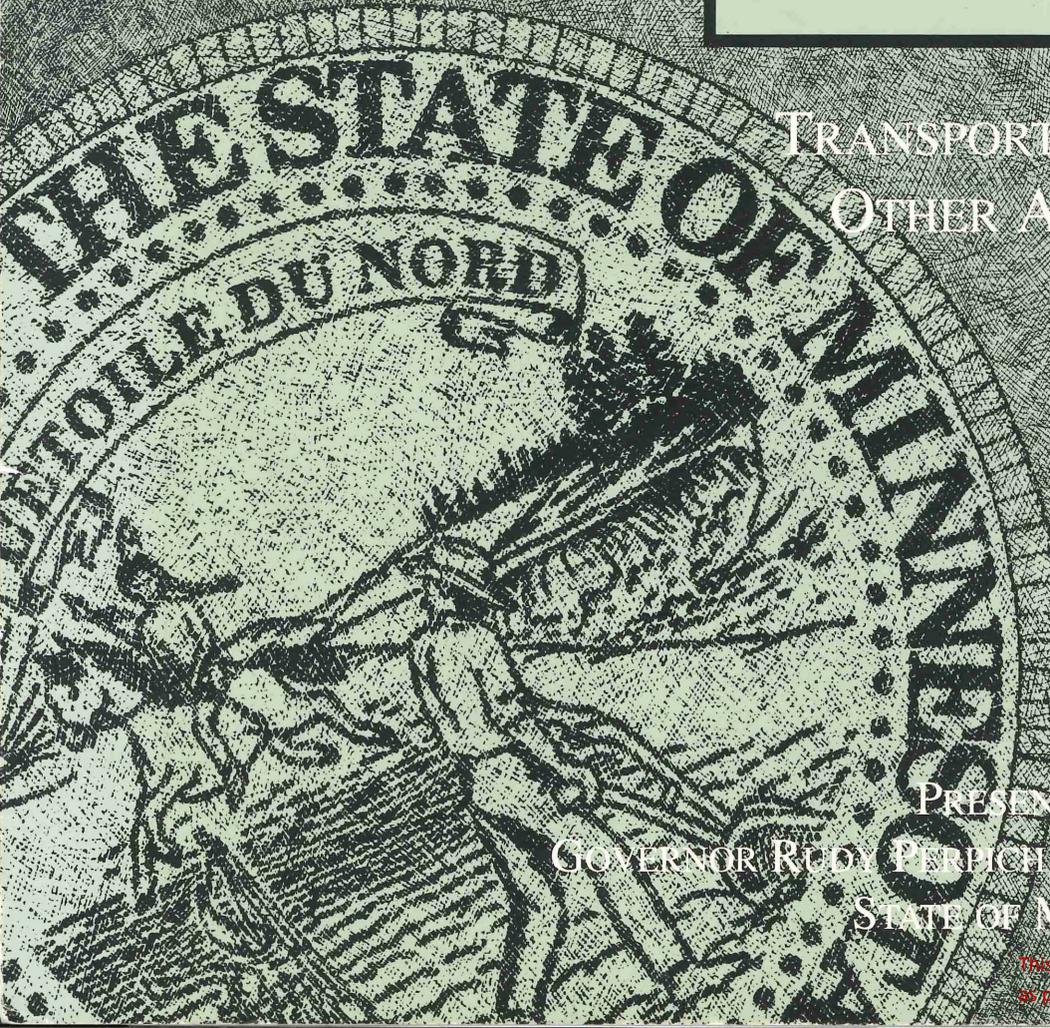


1990-91
PROPOSED
BIENNIAL
BUDGET

TRANSPORTATION AND
OTHER AGENCIES



PRESENTED BY
GOVERNOR RUDY PERICH TO THE 76TH LEGISLATURE
STATE OF MINNESOTA

800074

	<u>SECTION</u>		<u>SECTION</u>
ACADEMY OF SCIENCE	25	HUMANE SOCIETY	23
AGRICULTURE, DEPARTMENT OF	6	MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION	18
ANIMAL HEALTH, BOARD OF	8	MUNICIPAL BOARD	17
ARTS BOARD	22	PEACE OFFICERS' STANDARDS AND TRAINING, BOARD OF	5
CHARITABLE GAMBLING CONTROL BOARD	15	PUBLIC SAFETY, DEPARTMENT OF	4
COMMERCE, DEPARTMENT OF	9	PUBLIC SERVICE, DEPARTMENT OF	13
<u>NON-HEALTH LICENSING BOARDS</u>	10	PUBLIC UTILITIES COMMISSION	11
ABSTRACTORS, BOARD OF		PURPLE HEART, MILITARY ORDER OF THE	28
ACCOUNTANCY, BOARD OF		RACING COMMISSION	14
ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE ARCHITECTS, BOARD OF		REGIONAL TRANSIT BOARD	2
BARBER EXAMINERS, BOARD OF		SAFETY COUNCIL	27
BOXING, BOARD OF		SCIENCE MUSEUM OF MINNESOTA	26
ELECTRICITY, BOARD OF		TRANSPORTATION, DEPARTMENT OF	1
COMMUNICATIVELY IMPAIRED PERSONS, BOARD FOR	12	TRANSPORTATION REGULATION BOARD	3
		UNIFORM LAWS COMMISSION	19
ETHICAL PRACTICES BOARD	16	VETERANS OF FOREIGN WARS	29
HISTORICAL SOCIETY	21	VOYAGEURS' NATIONAL PARK, CITIZENS' COUNCIL	20
HORTICULTURAL SOCIETY	24	WATER AND SOIL RESOURCES, BOARD OF	7

1990-91 BIENNIAL BUDGET
PROGRAM STRUCTURE

AGENCY: TRANSPORTATION, DEPARTMENT OF

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
01 HIGHWAY DEVELOPMENT-----	10 Trunk Highways	1	17
	11 County State Aids		20
	12 Municipal State Aids		22
	13 Federal - County Road and Bridge		24
	14 Highway Debt Service		26
02 RAIL DEVELOPMENT-----	20 Rail Service Improvements		28
03 PUBLIC TRANSIT ASSISTANCE-----	30 Light Rail Transit		32
	31 Greater Minnesota Transit Assistance		35
	32 Metro Transit Assistance		38
04 AERONAUTICS DEVELOPMENT AND ASSISTANCE-----	40 Airport Development and Assistance		43
	41 Civil Air Patrol		48
05 OPERATIONS-----	50 Maintenance		53
	51 Construction Support		58
06 TECHNICAL SERVICES-----	60 Program Delivery		62
	61 State Aid Technical Assistance		68
	62 Electronic Communications		70
07 PROGRAM MANAGEMENT-----	70 Highway Program Administration		75
	71 Motor Carrier Administration		77
	72 Railroads and Waterways		79
	73 Transit Administration		81
	74 Aeronautics Administration		83
75 Transportation Data Analysis		85	
08 GENERAL SUPPORT SERVICES-----	80 General Administration		93
	81 General Services		97
	83 Equipment		101
	84 Legal Services		108
	85 Air Transportation Services		110

DEPARTMENT OF TRANSPORTATION
ORGANIZATION CHART 7-1-88

POSITION RECONCILIATION		
AUTHORITY	Current	Requested
Legislative Complement:	FY89	For 6/30/91
General Fund	14.0	14.0
State Airports Fund	40.0	41.0
Trunk Highway Fund	4,573.0	4,723.0
Federal Fund	16.0	16.0
Total	4,643.0	4,794.0
Permanent Positions		
Seasonal/Part-time	1,289.0	1,289.0
Total Positions	5,932.0	6,083.0
Employees on 6/30/88		
	5,282.0	

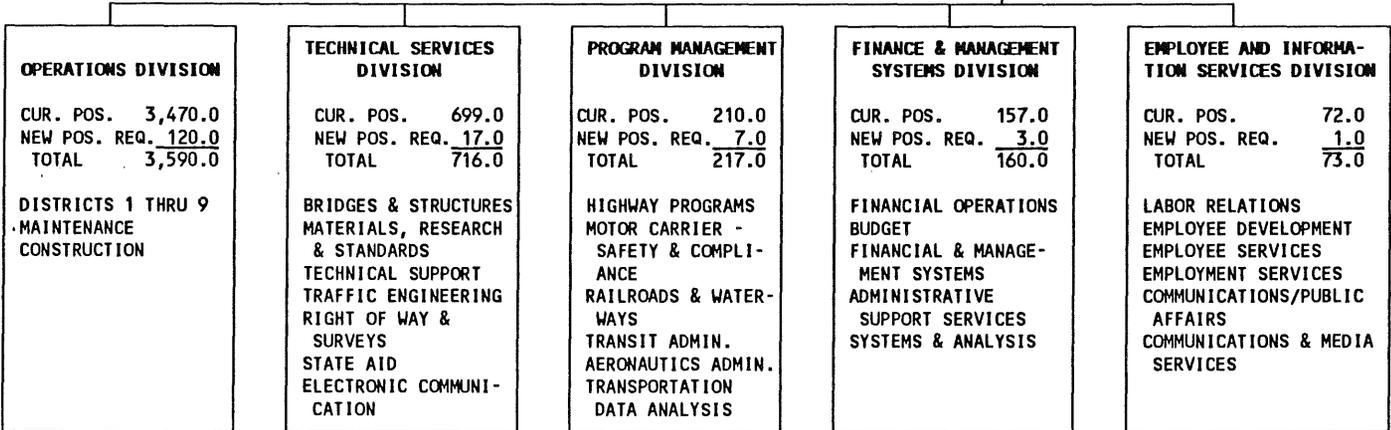
OFFICE OF THE
COMMISSIONER
CUR. POS. 5.0

EEO CONTRACT
MANAGEMENT
CUR. POS. 6.0

HIGHWAY PROGRAM
IMPLEMENTATION
CUR. POS. 6.0
NEW POS. REQ. 1.0
TOTAL 7.0

AUDIT
CUR. POS. 15.0
NEW POS. REQ. 2.0
TOTAL 17.0

GOVERNMENT
RELATIONS
CUR. POS. 3.0



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 1987, 3.1 million licensed drivers operated 3.3 million registered vehicles in Minnesota, driving 32.7 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 140 publicly owned municipal airports and 400 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 8 major program areas: highway development, rail development, public transit assistance, aeronautics development and assistance, operations, technical services, program management, and general support services.

1. The highway development program provides for the preservation, correction, and improvement of the 132,800 mile network of federal, state and local highways in Minnesota. The purposes of this program are met through:
 - a. Contractual arrangements with private contractors for construction work on the state's trunk highway system.
 - b. Administration and distribution 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 rail development program assists in preventing the abandonment of rail lines. Rail lines that have potential for profitability are eligible for grants and loans for service improvements through three way contracts among the state, the railroad company and rail users. The program also seeks to purchase already abandoned railroad right of way for future commercial transportation.
3. The public transit assistance program is concerned with the safe and efficient movement of goods and people via rail and mass transit. The program seeks to maintain passenger transportation services for patrons who are without alternatives and seeks to provide an alternative to the automobile. These services are provided through the Greater Minnesota transit assistance and light rail transit activities

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

4. The aeronautics development and assistance 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.
5. 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.
6. 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.

- 7. 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.

- 8. 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.

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.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	F.Y. 1990	F.Y. 1991
Fees for Legal Services Rendered				
Fees Assessed	\$ 951	\$ 980	\$ -0-	\$ -0-
Fees Paid	951	980	-0-	-0-
Requested Budget	1,073	980	1,158	1,158

EXPLANATION OF BUDGET REQUEST:

Of Mn/DOT's total CHANGE requests of \$42,532,000 and 151.0 positions for the biennium, \$39,413,000 and 150.0 positions are requested from the Trunk Highway Fund. One position and \$4,019,000 are State Airport Fund requests and one request of \$2,523,000 from the General Fund is offset by a corresponding decrease in the Transit Assistance Fund.

The last item is the only CHANGE request for the General Fund and occurs in order to provide the BASE level of funding for Greater Minnesota Public Transit Assistance as appropriated for F.Y. 1989. Given the current limit on the amount of Motor Vehicle Excise Tax (MVET) available to Mn/DOT, the difference is requested from the General Fund; \$2,523,000 for the biennium.

The trunk highway improvement program will be funded \$9,200,000 less than F.Y. 1989 by discontinuing a \$5,500,000 General Fund appropriation made in F.Y. 1989. The difference between the \$4,600,000 each year and \$5,500,000 is an estimated increase in federal funds.

Most of the other \$48,613,000 trunk highway fund CHANGE requests are categorized in 4 areas. First, there are changes of \$15,186,000 and 72.0 positions requested for the Maintenance budget activity in the operations program. Additional funds and 52.0 personnel are needed for additional lane miles of highway opening throughout the coming biennium, 9.0 safety professionals to insure safe and efficient maintenance field operations and 11.0 positions to provide adequate clerical support and meet state requirements that plumbers and electricians who work in Mn/DOT buildings be licensed.

Second, 48.0 new positions are requested in the construction support activity of operations and 8.0 positions for the program delivery activity in technical services. This request also includes \$7,000,000 for consultant services, mainly road and bridge design. These requests for program delivery become necessary because the agency's staffing has not kept pace with the growth of its annual development program.

The third major category is for data automation in the amount of \$3,807,000 for Trunk Highway Fund accounts including 2.0 positions and \$56,000 for State Airport Fund accounts. The agency places great reliance on a continued strong automation program for productivity improvements and sound resource allocation and utilization.

The fourth major category of changes is for the equipment activity. This is especially critical because the agency has fallen behind in its replacement program over the last few years. The \$10,415,000 request for road equipment attempts to reverse the downturn in the replacement cycle noted. The

\$1,114,000 is needed to replace aging materials testing equipment, acquire new technology, safety and environmental monitoring, and field test equipment.

The cold regions test facility is a new initiative requiring \$2,196,000 and 2.0 positions for the biennium. This is needed to enable the agency to understand the effects of the environment and traffic loads on pavements in Minnesota.

The remaining CHANGE requests cover a variety of purposes and fewer dollars. They include requests for the technical services program to provide 3.0 positions and \$168,000 for clerical and custodial staff for the new Materials Lab building under construction, 3.0 positions and \$742,000 for materials and labor to repair the ever increasing number of traffic signals and roadway lighting, \$800,000 to cover additional projects requested through a Cooperative Program for Transportation Research and Studies (COPTRS) and \$208,000 with 2.0 positions for repair parts and staff to maintain additional electronic and radio hardware in Mn/DOT, State Patrol and DNR.

Program Management requests an increasing change of 6.0 positions with no new dollars, i.e., by using non-complement dollars in the existing base. However, new funds amounting to \$967,000 are requested for several transportation studies to be undertaken during the biennium. This program also requests the greater part of an agency CHANGE request of \$1,730,000 and 1.0 position from the state airports fund for aviation supplies, services and support.

Other CHANGE requests for state airports funds include a \$2,170,000 increase for airport construction and maintenance grants and navigational aids for needs identified in the agency's 5 year capital improvement program, for installation and operation of precision landing systems and for assistance to municipalities for improving scheduled air service. A small increase of \$39,000 is requested to support Civil Air Patrol programs in aerospace education, emergency services and search and rescue services. Additionally, \$24,000 is requested to fund more hours for a part-time employee who assists with scheduling air transportation services.

The remaining CHANGE requests are in the general support services program. Expanded audit responsibilities account for the request of \$230,000 and 3.0 positions. The final 2 changes are \$427,000 for remodeling the Transportation Building in St. Paul and \$800,000 for implementation of a disaster recovery program which would allow Mn/DOT to resume normal business activities following a disaster, such as a fire, within a minimal period of time.

Each year of Mn/DOT's total biennial request is about 7 1/2% greater than the F.Y. 1989 spending plans, base level adjustments, including all accounts and all funding sources as shown in the the agency summary. The total budget, as requested, is financed by revenue sources in place under current law. This includes the current transfer rate of 30% for MVET revenues.

AGENCY: TRANSPORTATION, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium	1990-91 Biennium	
	All Funds	All Funds	
BASE Level Request	\$ 2,639,307	\$	
Agency-wide CHANGE Requests			
Health and Safety	3,190	1,622	10
Program Delivery	11,464	12,692	12
Cold Regions Test Facilities	2,196	2,196	9
Aviation Supplies, Services and Support	1,730	1,730	14
Subtotal	\$ 18,580	\$ 18,240	
Program/Budget Activity CHANGE Requests			
Highway Development			
Trunk Highway Development	(9,200)	31,083	19
Subtotal	\$ (9,200)	\$ 31,083	
Public Transit Assistance			
Light Rail Transit	-0-	4,244	34
Greater Minnesota Public Transit Assistance	-0-	(1,500)	37
Metro Transit Assistance	-0-	47,345	40
Subtotal	\$ -0-	\$ 50,089	
Aeronautics Development and Assistance Airport Grants and Navigations Aids	1,270	1,270	46
Air Service Grants	900	900	47
Civil Air Patrol Increase	39	-0-	50
Subtotal	\$ 2,209	\$ 2,170	
Operations			
New Service Initiatives	10,216	5,935	55
Technology Maintenance and Support Services	1,854	272	57
Subtotal	\$ 12,070	\$ 6,227	
Technical Services			
New Materials Lab Facility	168	168	64
Electrical Service Operations	742	742	65
Cooperative Research Studies	800	500	66
Wilflower Roadside Program	-0-	300	67
Electronic Communications Maintenance	208	208	72
Subtotal	\$ 1,918	\$ 1,618	

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium	1990-91 Biennium	
	All Funds	All Funds	
Program Management			
Transportation Studies	\$ 967	\$ 967	87
Subtotal	\$ 967	\$ 967	
General Support Services			
Audit Requirement Increase	230	230	96
Scientific Equipment	1,114	1,114	104
Data Processing Development and Equipment	3,863	3,863	91
Building Remodel	427	-0-	99
Disaster Recovery	800	200	100
Road Equipment	10,430	10,430	105
Air Transportation Support	24	24	112
Subtotal	\$ 16,888	\$ 15,861	
CHANGE Requests Subtotal	43,432	126,555	
AGENCY Total	\$ 2,682,739	\$ 2,765,862	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989 <i>est.</i>	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
HIGHWAY DEVELOPMENT	933,260	899,241	962,718	<4,600>	958,118	978,368	1,003,265	<4,600>	998,665	1,018,698	
RAIL DEVELOPMENT	6,522	5,882	0	0	0	0	0	0	0	0	
PUBLIC TRANSIT ASSISTANCE	7,239	16,132	15,480	0	15,480	39,068	15,480	0	15,480	41,981	
AERONAUTICS DEVELOP & ASSIST OPERATIONS	21,007	34,535	39,939	1,027	40,966	40,949	39,939	1,182	41,121	41,099	
TECHNICAL SERVICES	172,876	178,393	183,869	9,569	193,438	188,931	183,901	9,569	193,470	189,617	
PROGRAM MANAGEMENT	44,545	50,821	52,107	5,289	57,396	58,834	52,107	5,098	57,205	57,944	
GENERAL SUPPORT SERVICES	11,384	13,276	12,830	1,636	14,466	14,466	12,832	1,035	13,867	13,867	
	33,658	32,526	32,309	11,656	43,965	43,321	32,531	6,571	39,102	38,719	
TOTAL EXPENDITURES	1,230,491	1,230,806	1,299,252	24,577	1,323,829	1,363,937	1,340,055	18,855	1,358,910	1,401,925	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	5,178	4,970	4,975	1,344	6,319	16,838	4,975	1,179	6,154	12,983	
STATE AIRPORTS	9,536	13,172	11,851	1,894	13,745	13,728	11,853	2,125	13,978	13,956	
MUNICPL/ST AID-HGHMY	154,362	71,582	76,800	0	76,800	76,800	78,200	0	78,200	78,200	
CNTY/STATE AID-HGHMY	285,982	220,009	237,400	0	237,400	237,400	242,000	0	242,000	242,000	
TRUNK HIGHWAY	697,154	679,758	695,590	22,683	718,273	734,810	730,206	16,730	746,936	763,472	
HGHMY USER TAX DISTR	0	65	0	0	0	0	0	0	0	0	
TRANSPORTATION	1,804	9	0	0	0	0	0	0	0	0	
TRANSIT ASSISTANCE	1,125	9,545	9,250	<1,344>	7,906	20,975	9,250	<1,179>	8,071	27,743	
MOTOR VEHICLE TRANS	770	869	869	0	869	869	869	0	869	869	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	6,522	5,882	0	0	0	0	0	0	0	0	
STATE AIRPORTS	1,017	2,889	1,586	0	1,586	1,586	1,771	0	1,771	1,771	
TRUNK HIGHWAY	2,465	2,842	2,678	0	2,678	2,678	2,678	0	2,678	2,678	
HGHMY USER TAX DISTR	337	300	337	0	337	337	337	0	337	337	
TRANSPORTATION	3	147	0	0	0	0	0	0	0	0	
FEDERAL	64,222	218,656	257,805	0	257,805	257,805	257,805	0	257,805	257,805	
AGENCY	13	110	110	0	110	110	110	0	110	110	
GIFTS AND DEPOSITS	1	1	1	0	1	1	1	0	1	1	
TOTAL FINANCING	1,230,491	1,230,806	1,299,252	24,577	1,323,829	1,363,937	1,340,055	18,855	1,358,910	1,401,925	
POSITIONS BY FUND:											
GENERAL	14.0	14.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
STATE AIRPORTS	40.0	40.0	40.0	1.0	41.0	41.0	40.0	1.0	41.0	41.0
TRUNK HIGHWAY	4,583.0	4,573.0	4,573.0	150.0	4,723.0	4,747.0	4,573.0	150.0	4,723.0	4,747.0
FEDERAL	16.0	16.0	16.0	0.0	16.0	16.0	16.0	0.0	16.0	16.0
TOTAL POSITIONS	4,653.0	4,643.0	4,643.0	151.0	4,794.0	4,818.0	4,643.0	151.0	4,794.0	4,818.0

CHANGE REQUEST _____ Agency _____ Program _____ Activity 1990-91 Biennial Budget

ACTIVITY:
 PROGRAM:
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: COLD REGIONS TEST FACILITY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$1,098	2.0	\$1,098	2.0

Governor's Recommendation

Trunk Highway Fund	\$1,098	2.0	\$1,098	2.0
--------------------	---------	-----	---------	-----

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This CHANGE level request is for funding and positions to support the ongoing research activities of the cold regions test facility.

DESCRIPTION/RATIONALE FOR REQUEST:

The primary purpose of this new initiative is to improve our basic knowledge and understanding of the interactions and interrelationships of traffic loading and the environment on pavement, base and subgrade performance. Emphasis will be on moisture and drainage, particularly the freeze-thaw phenomenon. The goal of this ongoing project is to enable us to develop and implement improved design, construction, and maintenance practices and to increase pavement life and reduce overall costs of operating the transportation system.

This innovative project is attracting national attention and promises significant progress in our understanding of the effects of the environmental and traffic loads on our pavements. The program will require 2.0 additional staff positions to manage and administer. Additionally, the University of Minnesota will play a major role in data collection and analysis.

SUMMARY OF CHANGE REQUEST:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Technical Services-Program		
Program Delivery-Budget Activity	\$ 628	\$ 387
General Support Services-Program		
Equipment-Budget Activity	\$ 470	\$ 711
Totals	\$ 1,098	\$ 1,098

BASE:

None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	11
Trunk Highway Fund	\$ 687	\$ 687	\$ 1,374
Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: HEALTH AND SAFETY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$1,595	10.0	\$1,595	10.0
Governor's Recommendation				
Trunk Highway Fund	\$ 779	10.0	\$ 843	10.0

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE level request is to respond to the increased complexity of providing a safe work environment for agency maintenance personnel. In addition, this request will improve safety for the motoring public who encounter maintenance operations on Minnesota highways.

DESCRIPTION/RATIONALE FOR REQUEST:

Over the last several years with increased traffic volumes on many major highways and the increase in highway maintenance and reconstruction activities, it has become increasingly difficult to provide safe work zones for the motoring public and agency personnel working in these areas. In 1987, there were in excess of 1,300 accidents involving Mn/DOT work zones. This number increased to 1,600 in 1988. These alarming statistics have heightened awareness of and the need for increased safety equipment, training, public information campaigns, and care for employees injured on the job.

Currently there are only 12 safety professionals agency wide to provide needed analysis of and safety improvement of maintenance operations, accident review and analysis, handling of employee testing, and to service the safety concerns of 4,600 agency employees. There is a critical need for increased staffing to meet these as well as new complex training requirements.

Agency personnel are also expected to deal with several new requirements in handling the hazardous wastes generated by our operations, assisting in responding to hazardous materials spills, and finding new, safer ways to conduct our operations. This has increased the expense of doing business in more environmentally sound ways. In addition, the services provided the public at our facilities have increased refuse handling costs.

The average Mn/DOT building housing personnel and equipment is now in excess of 25 years old. This means that the heating and ventilating systems were designed at a time when life safety codes and standards were significantly less comprehensive than today. In addition, many of the agency's 759 buildings contain significant amounts of asbestos insulation around heating

plants, walls, and heating pipes. Ventilating systems were installed in agency truck stations when trucks in use were smaller and had gasoline engines. Today, equipment is much larger with diesel engines, producing a much greater amount of particulates, therefore requiring more ventilation.

Implementing this CHANGE request will:

- Increase by 9.0 the number of safety professionals to interpret and carry out programs which will insure safe and efficient maintenance field operations.
- Provide improved and increased training in equipment operation, hazardous waste and materials handling, and implementation of new requirements placed on employees such as confined space entry.
- Increase and improve public awareness programs to better educate the motoring public of the dangers involved when passing through work zones.
- Accelerate needed facility repair and modernization to comply with new life safety codes. Activities will concentrate on modernizing heating and ventilating systems and the contract removal of asbestos from 20 to 50 buildings per year.
- Allow increased employee health testing and monitoring to insure that new employees are physically able to do the work and that existing employees are monitored after injury to insure proper return to work programs are followed.
- Meet the increased expense of handling hazardous wastes generated by Agency operations.
- Add 1.0 analyst to coordinate and maintain the Injury Analysis System (IAS) data base integrity. The IAS provides information on events leading up to injury and subsequent costs.

SUMMARY OF CHANGE REQUEST:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Operations-Program	\$ 1,558	\$ 1,558
Maintenance-Budget Activity		
General Support Services-Program		
General Administration-Budget Activity	37	37
Totals	\$ 1,595	\$ 1,595

BASE	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund				
Safety Professionals	\$ 291	\$ 303	\$ 303	\$ 303
Positions	5.0	5.0	5.0	5.0
Safety and Training	\$ 64	\$ 64	\$ 64	\$ 64
Public Education	10	10	10	10
Health/Life Safety	50	50	50	50
Hazardous Materials Handling	100	100	100	100
Injury Analysis System				
Total	\$ 515	\$ 527	\$ 527	\$ 527
Positions	5.0	5.0	5.0	5.0

ACTIVITY:
 PROGRAM:
 AGENCY: TRANSPORTATION, DEPARTMENT OF

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund			
Safety Professionals	\$ 269	\$ 269	\$ 538
Positions	9.0	9.0	9.0
Safety and Training	506	506	1,012
Public Education	150	150	300
Health/Life Safety	555	555	1,110
Hazardous Materials Handling	78	78	156
Injury Analysis System	37	37	74
Positions	1.0	1.0	1.0
Total	\$ 1,595	\$ 1,595	\$3,190
Positions	10.0	10.0	10.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation provides funding for the following: for 9.0 district safety officers; \$202,000 in 1990 and \$269,000 in 1991, \$200,000 for the biennium for safety and training, \$300,000 for the biennium for public education on work zone safety, \$156,000 for the biennium for hazardous waste and materials handling, \$421,000 for the biennium for facility repair and maintenance to comply with new life safety codes and 1.0 position and \$37,000 each year for the injury analysis program.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: PROGRAM DELIVERY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$5,732	56.0	\$5,732	56.0
Governor's Recommendation				
Trunk Highway Fund	\$6,526	101.0	\$6,166	101.0

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE request is to provide adequate staffing and re-sources to deliver a construction program in F.Y.s 1990 and 1991 which is planned to be 35% greater than the F.Y.s 1986 and 1987 program. There have been no increases in the construction complement since F.Y. 1986.

DESCRIPTION/BACKGROUND:

The Mn/DOT construction program has averaged approximately \$358 million per year from F.Y. 1984 through F.Y. 1987. Staffing over that period of time was based on a program level of about \$350 million. In F.Y. 1988 the program increased to \$443 million and in F.Y. 1989 it increased again to \$529 million, including appropriation increases authorized by the Legislative Advisory Commission (LAC) for additional federal funds made available in each of those years.

Without the addition of full time staffing to deliver this increased program level, greater reliance has been placed on outside consultants, more overtime for the complement employees and additional seasonal, part time employees.

RATIONALE:

The program delivery function crosses several program lines within the agency. Some of its many pieces include the consultant design activities, in-house design, estimating and purchasing right of way, materials testing, project management, traffic management and field inspections.

The goal of this function is to support the highway development effort in a cost effective manner by balancing consultant use and seasonal hires with permanent complement and overtime. The use of seasonal hires and consultants provides the high degree of flexibility necessary to deal with funding fluctuations, scheduling, fast track projects and short notice availability of federal discretionary funds. Imperative to this balance is the need for a minimum number of permanent complement for the stable workload level and the ability to manage a large consultant program and effectively use non-comple-

ment staff.

Since the F.Y. 1986-87 biennium the highway improvement program has been at least \$100 million greater each year which has stressed the agency's ability to provide the most cost effective support possible.

Implementing this CHANGE request will:

- o provide 48.0 positions in the operations program to improve the balance between permanent staffing and other sources of program delivery staffing, to staff the bituminous quality management function and to manage consultant services.
- o increase the consultant services budget \$3.5 million each year to assist with the expanded workload and enable the agency to meet its contract schedules.
- o provide 7.0 positions in the technical services program for consultant administration and plan review, traffic management initiatives and an increased effort dealing with hazardous waste sites and other environmental concerns as they impact the agency.
- o provide 1.0 position in the general support services program to assist in the implementation of a new project management scheduling system.

SUMMARY OF CHANGE REQUEST:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Operations-Program		
Construction-Budget Activity	\$ 1,976	\$ 1,976
Positions	48.0	48.0
Technical Services-Program		
Program Delivery-Budget Activity	\$ 3,727	\$ 3,727
Positions	7.0	7.0
General Support Services-Program		
General Services-Budget Activity	\$ 29	\$ 29
Positions	1.0	1.0
Trunk Highway Fund Total	\$ 5,732	\$ 5,732
Positions	56.0	56.0

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
<u>BASE</u>				
Trunk Highway Fund				
Operations				
Construction	\$ 51,200	\$ 56,135	\$ 58,372	\$ 58,400
Positions	1,193.0	1,194.0	1,194.0	1,194.0
Technical Services				
Technical Support	6,325	6,968	7,541	7,541
Positions	135.0	135.0	135.0	135.0
Traffic Engineering	4,084	4,428	4,445	4,451
Positions	107.0	107.0	107.0	107.0
Consultants - Road Design	\$ 4,746	\$ 4,317	\$ 4,317	\$ 4,317
Consultants - Bridge	4,095	1,921	1,921	1,921
Highway Program				
Implementation	329	391	442	406
Positions	6.0	6.0	6.0	6.0
Totals	\$ 70,779	\$ 74,160	\$ 77,038	\$ 77,030
Total Positions	1,441.0	1,442.0	1,442.0	1,442.0

ACTIVITY:
 PROGRAM:
 AGENCY: TRANSPORTATION, DEPARTMENT OF

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund			
Operations			
Construction	\$ 1,976	\$ 1,976	\$ 3,952
Positions	48.0	48.0	48.0
Technical Services			
Technical Support	113	113	226
Positions	3.0	3.0	3.0
Traffic Engineering	114	114	228
Positions	4.0	4.0	4.0
Consultants - Road Design	2,300	2,300	4,600
Consultants - Bridge	1,200	1,200	2,400
Highway Program			
Implementation	29	29	58
Positions	1.0	1.0	1.0
Totals	\$ 5,732	\$ 5,732	\$ 11,464
Total Positions	56.0	56.0	56.0

program. Additional highway development funding is available as a result of the Governor's proposal to increase the transfer from motor vehicle excise tax revenues and the re-allocation of other resources.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation provides funding for the following: In the operations activity, 48.0 positions and \$1,017,000 in 1990 and \$1,356,000 in 1991 for program delivery and \$315,000 each year for additional equipment, supplies and repairs. In the technical services division, the Governor recommends, rather than the agency request of \$3,500,000 each year for consultant services, the addition of 45.0 complement positions for program delivery. In recognition of the required learning curve of new complement positions, the Governor recommends a phase-in schedule as follows: \$2,289,000 each year to support 45.0 full time complement positions and \$1,049,000 in 1990 and \$348,000 in 1991 for consultant services.

Also, in the technical services division, the Governor concurs with the agencies request for 7.0 positions and \$227,000 each year for consultant administration.

Significant savings will be realized in future years due to greater reliance on complement positions, rather than continued support from consultants.

BASE level funding will continue to support consultant services for overload work and technical expertise not available within the department.

In the general support activity, the Governor concurs with the request for 1.0 position and \$29,000 each year for the project management scheduling system.

In addition to the agency's request, the Governor recommends new funding of \$3,200,000 for the biennium to deliver the expanded highway development

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: AVIATION SUPPLIES, SERVICES AND SUPPORT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
State Airports Fund	\$ 821	1.0	\$ 909	1.0
Governor's Recommendation				
State Airports Fund	\$ 821	1.0	\$ 909	1.0

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amounts to provide equipment for aviation weather programs, enhancing efforts in promoting aviation and aviation education, replacing 2 support vehicles, maintenance of 2 single-engine aircraft, paint for the runway striping program, office equipment, communications costs, publication costs and adding 1.0 employee to the aircraft registration staff.

DESCRIPTION/RATIONALE FOR REQUEST:

The agency operates a variety of programs for the benefit of airports, pilots, aircraft owners, and the air traveling public. High priority is given to those programs which enhance safety and improve the utility of the aviation system in Minnesota. These programs need support in the form of human resources, equipment, supplies, and services to be effective.

This request includes the following increases: \$565,000 in F.Y. 1990 and \$630,000 in F.Y. 1991 for installing and operating automated weather reporting stations; \$57,000 in F.Y. 1990 and \$99,000 in F.Y. 1991 for additional computer weather terminals at airports; \$61,000 each year for promoting aviation education and aviation career opportunities to students in Minnesota schools; \$34,000 in F.Y. 1990 and \$32,000 in F.Y. 1991 for maintenance of and improvements to 2 single-engine aircraft; \$30,000 each year for publication costs, paint for the runway striping program and technical support for the essential air service program; \$20,000 in F.Y. 1990 for office equipment; \$3,000 each year for communication costs; \$22,000 in F.Y. 1990 and \$25,000 in F.Y. 1991 for replacing 2 support vehicles that have reached the end of their useful life; and \$29,000 each year to support a new position on the aircraft registration staff.

SUMMARY OF CHANGE REQUEST:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Program Management		
Aeronautics Administration	\$ 798	\$ 906
General Support Services		
General Services	3	3
Equipment	20	0
Totals	\$ 821	\$ 909

BASE	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund:				
Administration	\$ 2,464	\$ 2,594	\$ 2,645	\$ 2,645
Positions	34.0	34.0	34.0	34.0
General Services	0	19	19	19
Equipment	5	4	4	4
Total	\$ 2,469	\$ 2,617	\$ 2,668	\$ 2,668
Total Positions	34.0	34.0	34.0	34.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
State Airports Fund:			
Administration	\$ 906	\$ 906	\$ 1,812
Positions	1.0	1.0	1.0
General Services	\$ 3	\$ 3	\$ 6
Equipment	\$ 0	\$ 0	\$ 0
Total	\$ 909	\$ 909	\$ 1,818
Total Positions	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: HIGHWAY DEVELOPMENT
 Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

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 3 systems represent one-third of total Minnesota roadway mileage but carry 88% of the travel.

The state of Minnesota, 85,000 square miles in area, is served by nearly 132,800 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 3,300,000 motor vehicles. The 3,100,000 licensed drivers travel about 32.7 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 32,000 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	58
County	CSAH	30,100	23	22
	County Road	15,300	12	3
Township	Township Road	56,500	42	3
City	MSAS	2,000	1	8
	City Street	13,800	10	8
Other	Forest Road, etc.	3,000	2	0
	TOTAL	132,800	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 distributes 62% of the Highway User Tax Distribution Fund 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 30,100 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. 1990 and F. Y. 1991. 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.

A negative CHANGE request of (\$4,600,000) per year is made due to a reduction of General Fund dollars appropriated for F.Y. 1989, slightly offset by increased federal funds.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$31,083,000, rather than the agency's request for an decrease of \$9,200,000. Of this amount, approximately \$22,000,000 is attributable to the Governor's proposal to increase the transfers from the motor vehicle excise tax receipts from the current 30% to 35% in F.Y. 1990 and 45% in F.Y. 1991. The balance is available as a result of adjustments to other program requests and an updated estimate of revenues available to the Trunk Highway Fund.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : HIGHWAY DEVELOPMENT

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TRUNK HIGHWAYS	444,091	415,501	415,469	<4,600>	410,869	431,119	415,469	<4,600>	410,869	430,902
B TRUNK HIGHWAY IMPROVEMENT PROGRAM TH				<4,600>		15,650		<4,600>		15,433
COUNTY STATE AIDS	287,378	220,018	237,400	0	237,400	237,400	242,000	0	242,000	242,000
MUNICIPAL STATE AIDS	154,773	71,729	76,800	0	76,800	76,800	78,200	0	78,200	78,200
FED-COUNTY ROAD & BRIDGE	47,018	191,993	223,598	0	223,598	223,598	223,598	0	223,598	223,598
HIGHWAY DEBT SERVICE	0	0	9,451	0	9,451	9,451	43,998	0	43,998	43,998
TOTAL EXPENDITURES	933,260	899,241	962,718	<4,600>	958,118	978,368	1,003,265	<4,600>	998,665	1,018,698
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
MUNICPL/ST AID-HGHNY	154,362	71,582	76,800	0	76,800	76,800	78,200	0	78,200	78,200
CNTY/STATE AID-HGHNY	285,982	220,009	237,400	0	237,400	237,400	242,000	0	242,000	242,000
TRUNK HIGHWAY TRANSPORTATION	443,315	414,632	424,051	<4,600>	419,451	439,701	458,598	<4,600>	453,998	474,031
MOTOR VEHICLE TRANS	1,804	9	0	0	0	0	0	0	0	0
	770	869	869	0	869	869	869	0	869	869
STATUTORY APPROPRIATIONS:										
TRUNK HIGHWAY TRANSPORTATION	1	0	0	0	0	0	0	0	0	0
FEDERAL	3	147	0	0	0	0	0	0	0	0
	47,023	191,993	223,598	0	223,598	223,598	223,598	0	223,598	223,598
TOTAL FINANCING	933,260	899,241	962,718	<4,600>	958,118	978,368	1,003,265	<4,600>	998,665	1,018,698
POSITIONS BY FUND:										
TOTAL POSITIONS										

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

1990-91 Biennial Budget

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

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Pavement condition (miles)				
Poor	2,320	2,170	2,020	1,870
Fair	3,190	3,190	3,190	3,190
Good	4,600	4,700	4,800	4,900
Excellent	1,980	2,030	2,080	2,130
Route sufficiency (miles)				
Poor	1,350	1,250	1,160	1,070
Fair	2,140	2,110	2,070	2,040
Good	3,500	3,520	3,540	3,560
Excellent	5,100	5,220	5,330	5,430
Roadway width (miles) (Less than 24' wide)	1,290	1,240	1,190	1,140
Deficient bridges (bridges)	300	280	260	240

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.

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. This program is scheduled to be completed during the 1990-91 biennium.

Right of Way and Agreement - the activities include the purchase of the right of way for construction projects, the relocation of public utilities, and cooperative 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:

	<u>(Dollars in Millions)</u>	
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Trunk Highway Fund		
State Funds	\$ 200.0	\$ 200.0
Federal Funds	210.0	210.0
Subtotal	\$ 410.0	\$ 410.0
Motor Vehicle Transfer Fund	0.9	0.9
Total	\$ 410.9	\$ 410.9

	<u>(Dollars in Millions)</u>			
<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Resurfacing & Reconditioning Miles	412	386	343	350
	\$ 56	\$ 52	\$ 46	\$ 47
Reconstruction Miles	56	83	129	150
	\$ 25	\$ 37	\$ 58	\$ 68
Major Construction Miles	35	10	54	60
	\$ 35	\$ 10	\$ 58	\$ 64
Road Repair	8	9	9	9
Bridge Repair	8	9	6	10
Bridge Replacement Bridges	23	26	33	22
	\$ 31	\$ 44	\$ 46	\$ 46
Safety & Urban	13	23	21	18
Interstate Completion	143	107	31	9
Interstate Preservation	83	73	94	99

	<u>(Dollars in Millions)</u>			
<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Interstate Substitution	\$ 1	\$ 10	\$ 1	\$ 0
Right of Way & Agreements	40	41	40	40
Subtotal	\$ 443	\$ 415	\$ 410	\$ 410
Salvage Yard Program	1	1	1	1
Total	\$ 444	\$ 416	\$ 411	\$ 411

REVENUE: None.

EXPLANATION OF BUDGET REQUEST: A negative CHANGE request of (\$4,600,000) per year is made due to a reduction of General Fund dollars appropriated for F.Y. 1989, slightly offset by increased Federal Funds.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : HIGHWAY DEVELOPMENT
BUDGET ACTIVITY : TRUNK HIGHWAYS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	3,746	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	477	32	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	1,921	0	0	0	0	0	0	0	0	0
CAPITAL EQUIPMENT	84	0	0	0	0	0	0	0	0	0
REAL PROPERTY	437,532	415,469	415,469	<4,600>	410,869	431,119	415,469	<4,600>	410,869	430,902
STATE OPERATIONS	443,760	415,501	415,469	<4,600>	410,869	431,119	415,469	<4,600>	410,869	430,902
LOCAL ASSISTANCE	331	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	444,091	415,501	415,469	<4,600>	410,869	431,119	415,469	<4,600>	410,869	430,902
CHANGE REQUESTS: FUND										
B TRUNK HIGHWAY IMPROVEMENT PROGRAM										
TOTAL CHANGE REQUESTS				<4,600>		15,650		<4,600>		15,433
				<4,600>		15,650		<4,600>		15,433
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	443,315	414,632	414,600	<4,600>	410,000	430,250	414,600	<4,600>	410,000	430,033
MOTOR VEHICLE TRANS	770	869	869	0	869	869	869	0	869	869
STATUTORY APPROPRIATIONS:										
TRUNK HIGHWAY	1	0	0	0	0	0	0	0	0	0
FEDERAL	5	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	444,091	415,501	415,469	<4,600>	410,869	431,119	415,469	<4,600>	410,869	430,902
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: STATE TRUNK HIGHWAY DEVELOPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$(4,600)	-0-	\$(4,600)	-0-
Governor's Recommendation				
Trunk Highway Fund	\$15,650	-0-	\$15,433	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE is to align the expenditures for this activity with the available funding. The agency requests the above decrease in state trunk highway development due to a reduction of General Fund dollars appropriated for F.Y. 1989, slightly offset by increased federal funds.

DESCRIPTION/RATIONALE FOR REQUEST:

Laws of 1988, Chapter 603, Section 7 appropriate \$8,950,000 from the General Fund for transfer to the Highway User Tax Distribution Fund for highway development expenditures in F.Y. 1989. The Trunk Highway Fund share is \$5,500,000. This was a one time appropriation and the agency is not requesting continuation of funding from that source. Estimates of federal funding for this biennium support a slight increase to offset this loss for a net reduction of \$4,600,000.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 444,100	\$ 415,500	\$ 415,500	\$ 415,500

LONG RANGE IMPLICATIONS:

Revenue projections of state funding sources show fairly slight growth in future years. There is some speculation, however, that there may be fewer federal dollars in the next Federal Highway Act (current program ends September, 1991). The agency will no longer have interstate construction projects to draw large allocations of federal dollars for that purpose since all projects are scheduled for funding through F.Y. 1991, thus drawing a close to that program. How the federal funds will be distributed after that will be up to Congress in 1991.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$31,083,000, rather than the agency's request for an decrease of \$9,200,000. Of this amount, approximately \$22,000,000 is attributable to the Governor's proposal to increase the transfers from the motor vehicle excise tax receipts from the current 30% to 35% in F.Y. 1990 and 45% in F.Y. 1991. The balance is available as a result of adjustments to other program requests and an updated estimate of revenues available to the Trunk Highway Fund.

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

1990-91 Biennial Budget

PURPOSE:

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, 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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Miles of road improved	1,295	1,210	1,205	1,205
Miles of county road maintained	30,120	30,120	30,120	30,128

(Dollars in Thousands)

GRANTS BY FUND:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
County State Aid Highway Fund	\$ 283,703	\$ 220,009	\$ 237,400	\$ 242,000
Transportation Fund	<u>1,396</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	\$ 285,099	\$ 220,018	\$ 237,400	\$ 242,000

REVENUE:

None.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : HIGHWAY DEVELOPMENT
BUDGET ACTIVITY : COUNTY STATE AIDS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	2,251	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	12	0	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	4	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	12	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	2,279	0	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	285,099	220,018	237,400	0	237,400	237,400	242,000	0	242,000	242,000
TOTAL EXPENDITURES	287,378	220,018	237,400	0	237,400	237,400	242,000	0	242,000	242,000
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
CNTY/STATE AID-HGHMY	285,982	220,009	237,400	0	237,400	237,400	242,000	0	242,000	242,000
TRANSPORTATION	1,396	9	0	0	0	0	0	0	0	0
TOTAL FINANCING	287,378	220,018	237,400	0	237,400	237,400	242,000	0	242,000	242,000
POSITIONS BY FUND:										
TOTAL POSITIONS										

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

1990-91 Biennial Budget

PURPOSE:

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 82% of the 1986 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 18% is used for the general maintenance of the municipal state aid street system. Monies are released according to Minnesota Rules Chapter 8820.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Miles of streets improved	72	76	71	75
Miles of streets maintained	2,018	2,040	2,060	2,100

<u>GRANTS BY FUND:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Municipal State Aid Street Fund	\$ 153,698	\$ 71,582	\$ 76,800	\$ 78,200
Transportation Fund	408	-0-	-0-	-0-
Total	\$ 154,106	\$ 71,582	\$ 76,800	\$ 78,200

REVENUE:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : HIGHWAY DEVELOPMENT
BUDGET ACTIVITY : MUNICIPAL STATE AIDS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	653	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	4	0	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	1	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	9	147	0	0	0	0	0	0	0	0
STATE OPERATIONS	667	147	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	154,106	71,582	76,800	0	76,800	76,800	78,200	0	78,200	78,200
TOTAL EXPENDITURES	154,773	71,729	76,800	0	76,800	76,800	78,200	0	78,200	78,200
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
MUNICPL/ST AID-HGHWY	154,362	71,582	76,800	0	76,800	76,800	78,200	0	78,200	78,200
TRANSPORTATION	408	0	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
TRANSPORTATION	3	147	0	0	0	0	0	0	0	0
TOTAL FINANCING	154,773	71,729	76,800	0	76,800	76,800	78,200	0	78,200	78,200
POSITIONS BY FUND:										
TOTAL POSITIONS										

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : HIGHWAY DEVELOPMENT
BUDGET ACTIVITY : FED-COUNTY ROAD & BRIDGE

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	6	0	0	0	0	0	0	0	0	0
REAL PROPERTY	44,103	181,993	213,598	0	213,598	213,598	213,598	0	213,598	213,598
STATE OPERATIONS	44,109	181,993	213,598	0	213,598	213,598	213,598	0	213,598	213,598
LOCAL ASSISTANCE	2,909	10,000	10,000	0	10,000	10,000	10,000	0	10,000	10,000
TOTAL EXPENDITURES	47,018	191,993	223,598	0	223,598	223,598	223,598	0	223,598	223,598
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
FEDERAL	47,018	191,993	223,598	0	223,598	223,598	223,598	0	223,598	223,598
TOTAL FINANCING	47,018	191,993	223,598	0	223,598	223,598	223,598	0	223,598	223,598
POSITIONS BY FUND:										
TOTAL POSITIONS										

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

1990-91 Biennial Budget

REVENUE:

None.

PURPOSE:

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

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percentage of Capital Funds available for Debt retirement compared to 25% limit	16.0%	20.1%	18.6%	14.8%

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 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 normal 20 year term of the bonds. The budgeted costs are reflective of the current outstanding debt repayment requirements for the 1990-91 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 1 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 1 year will be less than the amount actually paid to bond debt holders. The total intergovernmental advanced amounts on current projects include Hiawatha Ave.: \$9.9M, Interstate 494/24th Ave.: \$69M, Minneapolis parking garage: \$28M.

The amounts shown in this summary for F.Y. 1990 and F.Y. 1991 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.

<u>STATISTICS:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Payments on bonded debt	\$ 10,919	\$ 9,281	\$ 9,057	\$ 8,704
Payments on intergovernmental loans and advances	394	394	394	35,294
Debt outstanding at the end of fiscal year	81,625	76,440	71,355	66,270
Loans and advances outstanding	27,798	98,078	97,684	62,390

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : HIGHWAY DEVELOPMENT
BUDGET ACTIVITY : HIGHWAY DEBT SERVICE

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
DEBT REDEMPTION & PENSIONS	0	0	9,451	0	9,451	9,451	43,998	0	43,998	43,998
TOTAL EXPENDITURES	0	0	9,451	0	9,451	9,451	43,998	0	43,998	43,998

SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	0	0	9,451	0	9,451	9,451	43,998	0	43,998	43,998
TOTAL FINANCING	0	0	9,451	0	9,451	9,451	43,998	0	43,998	43,998

POSITIONS BY FUND:										
TOTAL POSITIONS										

PROGRAM: RAIL DEVELOPMENT **1990-91 Biennial Budget**
 (Includes ACTIVITY: Rail Service Improvement Program)
 Agency: TRANSPORTATION, DEPARTMENT OF

PROGRAM PURPOSE:

This program provides grants and loans for railroad service improvements through 3-way contracts among 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 by providing capital funds for the improvement of railroad facilities that are important to Minnesota's economy.

ACTIVITY PURPOSE:

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.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Miles of rail line retained/rehabilitated	85	218*	30	46
Lines purchased	-0-	3	5	2
Million tons of freight moved over project lines	3.5	3.7	4.0	4.3
Truckloads kept off highways	140,000	148,000	160,000	172,000
Facilities improved	1	3	2	2
Communities benefited	25	40	6	8
Population benefited	60,000	70,000	20,000	40,000
Rail users benefited	50	65	10	10

* Mileage includes 158 miles of projects done in phases over 2 or more years.

DESCRIPTION:

This budget activity is administered by the Office of Railroads and Waterways, Program Management Division. Within the activity are 2 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 were 136 miles of rail line abandoned in Minnesota in 1987. 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 3 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.

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. 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.

EXPLANATION OF BUDGET REQUEST:

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. The remaining \$7 million are scheduled to be sold during F.Y. 1989-90. Federal assistance has continued to decline from a high of \$4.5 million/year. The future of federal assistance is unclear.

REVENUE:

None.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : RAIL DEVELOPMENT
BUDGET ACTIVITY : RAIL SERVICE IMPROVEMENTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
NON-EXPENSE DISBURSEMENTS	5,448	5,882	0	0	0	0	0	0	0	0
STATE OPERATIONS	5,448	5,882	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	1,074	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	6,522	5,882	0	0	0	0	0	0	0	0
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	6,522	5,882	0	0	0	0	0	0	0	0
TOTAL FINANCING	6,522	5,882	0	0	0	0	0	0	0	0
POSITIONS BY FUND:										
TOTAL POSITIONS										

PROGRAM: PUBLIC TRANSIT ASSISTANCE
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The public transit assistance program provides grants and loans to public and private providers of transportation services in 2 categories: Greater Minnesota Transit and Light Rail Transit. The objectives of these programs are to provide access to public transit services for residents of Greater Minnesota, thus providing alternatives to the automobile and an ability for patrons to maintain independent lifestyles, and to provide grants to eligible regional rail authorities in the metro area for LRT activities.

OPERATION:

This program encompasses the following services:

1. Greater Minnesota Transit Assistance

This program provides grants to eligible recipients for transit service outside the 7 county Twin Cities Metropolitan Area. 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. The fixed share funding formula was adopted after lengthy study in 1983 and was based on a local unit of government's ability to pay. 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%).

2. Light Rail Transit

This program provides grants to eligible regional rail authorities in the metro area for planning, preliminary engineering, design, and construction of light rail transit facilities.

BUDGET ISSUES:

1. The phased transfer of motor vehicle excise tax receipts will provide a stable fund source to meet the transit service needs of transit providers in Greater Minnesota.
2. Federal funds - Decreased support of operating and capital costs from the federal government has a direct impact on needed state funds. Decreased federal support and unmet capital needs may require a \$3.0 million annual capital program to ensure safe, reliable equipment.
3. The ability of local units of government to pay the fixed local share of the funding formula is becoming increasingly difficult.
4. New systems/demonstrations - areas of Greater Minnesota currently without transit service have expressed the need for transit service.

EXPLANATION OF BUDGET:

BASE level represents funding necessary to maintain an expanded public transit program in Greater Minnesota. This expanded program is a direct result of increased F.Y. 1989 appropriations.

A CHANGE request which nets \$0 is necessary to maintain the Greater Minnesota Transit Assistance Program at current levels. This request reflects a funding shift from the Transit Assistance Fund to the General Fund necessitated by a decrease in funding to the Transit Assistance Fund.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board (RTB) be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. All recommended funding for metro transit, except for light rail transit, is shown under the new budget activity "Metro Transit Assistance." The total funding recommended for that activity includes all CHANGE requests submitted by the RTB, except for the additional funding for the Metro Mobility program. The Governor will present a bill for the implementation of the metro transit recommendations during the 1989 session.

The Governor recommends a net reduction of \$750,000 each year for Greater Minnesota Transit Assistance.

The Governor recommends that funding for light rail transit be increased by \$4,244,000 in F.Y. 1991.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PUBLIC TRANSIT ASSISTANCE

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LIGHT RAIL TRANSIT	0	4,170	4,170	0	4,170	4,170	4,170	0	4,170	8,414
B LIGHT RAIL TRANSIT	TA			0		0		0		4,244
TRANSIT ASSISTANCE, GREATER MN	7,239	11,962	11,310	0	11,310	10,560	11,310	0	11,310	10,560
B GREATER MINNESOTA PUBLIC TRANSIT ASSIST. GEN				1,344		135		1,179		<1,219>
B GREATER MINNESOTA PUBLIC TRANSIT ASSIST. TA				<1,344>		<885>		<1,179>		469
METRO TRANSIT ASSISTANCE	0	0	0	0	0	24,338	0	0	0	23,007
B METRO TRANSIT ASSISTANCE	GEN			0		11,728		0		9,227
B METRO TRANSIT ASSISTANCE	TA			0		12,610		0		13,780
TOTAL EXPENDITURES	7,239	16,132	15,480	0	15,480	39,068	15,480	0	15,480	41,981
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	4,375	4,225	4,220	1,344	5,564	16,083	4,220	1,179	5,399	12,228
TRANSIT ASSISTANCE	1,125	9,545	9,250	<1,344>	7,906	20,975	9,250	<1,179>	8,071	27,743
STATUTORY APPROPRIATIONS:										
FEDERAL	1,726	2,252	1,900	0	1,900	1,900	1,900	0	1,900	1,900
AGENCY	13	110	110	0	110	110	110	0	110	110
TOTAL FINANCING	7,239	16,132	15,480	0	15,480	39,068	15,480	0	15,480	41,981
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: LIGHT RAIL TRANSIT (LRT)
Program: PUBLIC TRANSIT ASSISTANCE
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To facilitate the distribution of LRT appropriations to Regional Rail Authorities in the Metropolitan area through development of LRT allocation guidelines.

To review applications for LRT funds and determine appropriate fund levels for planning, preliminary engineering, and final design and construction.

DESCRIPTION:

Statutory Reference: Laws of 1988, Ch. 684, Art. 2, Sec. 2, Subd. 6. This budget activity is administered by the Office of Transit, Program Management Division. The program provides state funds for distribution to regional rail authorities in the metropolitan area for planning, preliminary engineering, design, and construction of light rail transit facilities.

Applications from eligible regional rail authorities are reviewed based on established allocation guidelines. Upon approval of the application, appropriate fund levels are determined and contracts executed. The level of state funding is limited in that no more than 60% of the available funds may be distributed to a single recipient and must be matched by local funds on a dollar for dollar basis.

REVENUE:

None

GRANTS BY FUND:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Transit Assistance Fund	\$ 0	\$ 4,170	\$ 4,170	\$ 4,170

EXPLANATION OF BUDGET REQUEST:

The BASE level budget request for LRT is based on current law which specifies that the F.Y. 1990-91 request will be for same dollar amount.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PUBLIC TRANSIT ASSISTANCE
BUDGET ACTIVITY : LIGHT RAIL TRANSIT

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
LOCAL ASSISTANCE	0	4,170	4,170	0	4,170	4,170	4,170	0	4,170	8,414	
TOTAL EXPENDITURES	0	4,170	4,170	0	4,170	4,170	4,170	0	4,170	8,414	
CHANGE REQUESTS:	FUND										
B LIGHT RAIL TRANSIT	TA										
				0		0		0		4,244	
TOTAL CHANGE REQUESTS				0		0		0		4,244	
SOURCES OF FINANCING:	-----										
DIRECT APPROPRIATIONS:	-----										
TRANSIT ASSISTANCE	0	4,170	4,170	0	4,170	4,170	4,170	0	4,170	8,414	
TOTAL FINANCING	0	4,170	4,170	0	4,170	4,170	4,170	0	4,170	8,414	
POSITIONS BY FUND:	-----										
TOTAL POSITIONS	-----										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LIGHT RAIL TRANSIT
 PROGRAM: PUBLIC TRANSIT ASSISTANCE
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: LIGHT RAIL TRANSIT

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
Transit Assistance Fund	\$ -0-	-0-	\$4,244	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends that funding for light rail transit be increased by \$4,244,000 in F.Y. 1991. State funds for light rail transit are to be used in the metropolitan area. They must be matched at a minimum on a dollar for dollar basis for planning, preliminary engineering, design, and construction of light rail transit facilities. None of this funding should be used for administrative costs of the department. Any unencumbered balance remaining from F.Y. 1990 BASE funding should be available for F.Y. 1991

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Transit Assistance Fund	\$ 0	\$ 4,170	\$ 4,170	\$ 4,170

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Transit Assistance Fund	\$ 4,244	\$ 4,244	\$8,488

ACTIVITY: GREATER MINNESOTA TRANSIT ASSISTANCE 1990-91 Biennial Budget
Program: PUBLIC TRANSIT ASSISTANCE
Agency: TRANSPORTATION, DEPARTMENT OF

PURPOSE:

1. Manage the state's investment in public transportation in greater Minnesota by assuring effective service delivery.
2. Provide a process for local decision making regarding transit service needs assessment.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Passenger/mile	1.20	1.18	1.18	1.18
Cost/passenger	\$ 1.75	\$ 1.72	\$ 1.75	\$ 1.79
Revenue/cost ratio	.34	.35	.35	.34

DESCRIPTION:

Statutory Reference: M.S. 174.21-24, 174.32. This budget activity is administered by the Office of Transit, Program Management Division. The Greater Minnesota transit assistance program provides needed transportation service to an area containing approximately 50% of 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 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.

	(Dollars in Thousands)			
<u>Grants by Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 4,375	\$ 4,225	\$ 5,564	\$ 5,399
Transit Assistance	1,109	5,375	3,736	3,901
Federal	1,726	2,252	1,900	1,900
Agency	13	110	110	110
Total	\$ 7,223	\$ 11,962	\$ 11,310	\$ 11,310

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total Passengers	8,486	8,928	9,107	9,289
Total Miles Traveled	7,084	7,586	7,738	7,892
Cost/Mile	\$ 2.09	\$ 2.02	\$ 2.06	\$ 2.10

REVENUE:

None

EXPLANATION OF BUDGET REQUEST:

The budget request reflects an increased "BASE level" as a result of 1988 legislative action which provided an additional \$3,580,000 for F.Y. 1989. These additional funds were appropriated to the Transit Assistance Fund, some being \$2,983,400 (MVET transfer) and \$596,600 (General Fund).

It is anticipated that these additional funds will provide \$2,400,000-\$2,800,000 in capital assistance and \$800,000 - \$1,200,000 in new service or expansion of service. Already new services have been identified in 14 areas of Greater Minnesota.

A CHANGE request which nets \$0 is necessary to maintain the program at current levels. This request reflects a funding shift from the Transit Assistance Fund to the General Fund necessitated by a decrease in funding to the Transit Assistance Fund.

BASE LEVEL REVIEW:

A BASE level review has been completed on Minnesota public transit assistance programs. This review is a separate submission to the legislature.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PUBLIC TRANSIT ASSISTANCE
BUDGET ACTIVITY : TRANSIT ASSISTANCE, GREATER MN

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	14	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	2	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	16	0	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	7,223	11,962	11,310	0	11,310	10,560	11,310	0	11,310	10,560
TOTAL EXPENDITURES	7,239	11,962	11,310	0	11,310	10,560	11,310	0	11,310	10,560
CHANGE REQUESTS: FUND										
B GREATER MINNESOTA PUBLIC TRANSIT ASSIST. GEN				1,344		135		1,179		<1,219>
B GREATER MINNESOTA PUBLIC TRANSIT ASSIST. TA				<1,344>		<885>		<1,179>		469
TOTAL CHANGE REQUESTS				0		<750>		0		<750>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	4,375	4,225	4,220	1,344	5,564	4,355	4,220	1,179	5,399	3,001
TRANSIT ASSISTANCE	1,125	5,375	5,080	<1,344>	3,736	4,195	5,080	<1,179>	3,901	5,549
STATUTORY APPROPRIATIONS:										
FEDERAL	1,726	2,252	1,900	0	1,900	1,900	1,900	0	1,900	1,900
AGENCY	13	110	110	0	110	110	110	0	110	110
TOTAL FINANCING	7,239	11,962	11,310	0	11,310	10,560	11,310	0	11,310	10,560
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: GREATER MINNESOTA TRANSIT ASSISTANCE
 PROGRAM: PUBLIC TRANSIT ASSISTANCE
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: GREATER MINNESOTA PUBLIC TRANSIT ASSISTANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 1,344	-0-	\$ 1,179	-0-
Transit Assistance Fund	(1,344)	-0-	(1,179)	-0-
	\$ -0-	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ 135	-0-	\$(1,219)	-0-
Transit Assistance Fund	(885)	-0-	469	-0-
	\$ (750)	-0-	\$(750)	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency makes this CHANGE request (net of zero) to maintain an expanded public transit program in Greater Minnesota. The expanded program is a direct result of increased F.Y. 1989 appropriations.

DESCRIPTION/BACKGROUND:

In F.Y. 1988 and F.Y. 1989 the Transit Assistance Fund was comprised of:

1. Transfer of Motor Vehicle Excise Tax (MVET),
2. Increase in drivers' license fees, and;
3. General Fund transfers.

The drivers' license fees and General Fund transfers to the Transit Assistance Fund are not included in the F.Y. 1990-91 agency request. Therefore, the Transit Assistance Fund reflects a negative CHANGE level (based on a 30% transfer of MVET receipts as the only source of funds).

The positive CHANGE level for the General Fund is requested to offset the negative CHANGE in the Transit Assistance Fund, described above. The net result in an agency request for F.Y. 1989 same level.

RATIONALE:

The CHANGE request (net of zero) provides funding to maintain an expanded public transit assistance program in Greater Minnesota. This request will provide the resources to continue to update an aging bus fleet and to meet continued demand for increased mobility in Greater Minnesota.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 4,380	\$ 4,220	\$ 4,220	\$ 4,220
Transit Assistance Fund	1,420	5,080	5,080	5,080

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 1,082	\$ 906	\$1,988
Transit Assistance Fund	(1,082)	(906)	(1,988)

GOVERNOR'S RECOMMENDATION:

The Governor recommends a net reduction of \$750,000 each year for Greater Minnesota Public Transit Assistance.

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

1990-91 Biennial Budget

PURPOSE:

The Governor recommends that the functions of the Regional Transit Board (RTB) be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs.

EXPLANATION OF BUDGET REQUEST:

The Governor's budget shows all funding for metropolitan transit, except for light rail transit, under this new budget activity. Total recommended funding includes all CHANGE requests submitted by the RTB except for additional funding for the Metro Mobility program. The Governor will present a bill for implementation of this recommendation during the 1989 session.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PUBLIC TRANSIT ASSISTANCE
BUDGET ACTIVITY : METRO TRANSIT ASSISTANCE

EXPENDITURES:			F.Y. 1990				F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
REDISTRIBUTIONS	0	0	0	0	0	24,338	0	0	0	23,007	
TOTAL EXPENDITURES	0	0	0	0	0	24,338	0	0	0	23,007	
CHANGE REQUESTS:											
B METRO TRANSIT ASSISTANCE					0	11,728			0	9,227	
B METRO TRANSIT ASSISTANCE					0	12,610			0	13,780	
TOTAL CHANGE REQUESTS					0	24,338			0	23,007	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	0	0	0	0	0	11,728	0	0	0	9,227	
TRANSIT ASSISTANCE	0	0	0	0	0	12,610	0	0	0	13,780	
TOTAL FINANCING	0	0	0	0	0	24,338	0	0	0	23,007	
POSITIONS BY FUND:											
TOTAL POSITIONS											

CHANGE REQUEST

____ Agency ____ Program X Activity

1990-91 Biennial Budget

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

REQUEST TITLE: METRO TRANSIT ASSISTANCE

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$11,728	-0-	\$ 9,227	-0-
Transit Assistance Fund	12,610	-0-	13,780	-0-

Request requires statutory change: X Yes ____ No
 Statutes Affected: M.S.15A.081, 15.0597, 352D.02, 174.32,473

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board (RTB) be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. This CHANGE request shows all funding that the Governor recommends for metro transit, except for light rail transit. The total funding shown includes all CHANGE requests submitted by the RTB, except for additional funding for the Metro Mobility program. Costs to the state for that program should be held down to its BASE level of \$10,250,000 a year through aggressive cost control measures and better targeting of the service. The Governor will present a bill for the implementation of the metro transit recommendations during the 1989 session.

BASE: None

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 9,227	\$ 9,227	\$18,454
Transit Assistance Fund	13,780	13,780	27,560

PROGRAM: AERONAUTICS DEVELOPMENT & ASSISTANCE
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The Aeronautics Development and Assistance program exists to ensure the safety, utility and availability of air transportation and related facilities for all present and potential users. This program provides technical and financial assistance to the municipalities owning and operating 140 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.

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 development and assistance program is accomplished through 2 activities: airport development and assistance, and the Civil Air Patrol.

1. The airport development and assistance activity provides technical and financial assistance for development and maintenance of airport facilities and navigational aids. 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 5-year Capital Improvement Program
- well designed in accordance with current state and federal standards
- adequately protected by airport land-use and safety zoning
- properly operated and maintained.

Assistance is also provided to cities for improving their scheduled air service.

2. 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:

CHANGES in this program are increases of \$1,010,000 in F.Y. 1990 and \$1,160,000 in F.Y. 1991 for grants and navigational aids and increases of \$17,000 in F.Y. 1990 and \$22,000 in F.Y. 1991 for the Civil Air Patrol.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for: a biennial reduction of \$39,000 for the Civil Air Patrol.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : AERONAUTICS DEVELOP &ASSIST

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIRPORT DVLPMT & ASSISTNC	20,942	34,470	39,874	1,010	40,884	40,884	39,874	1,160	41,034	41,034
B AIRPORT GRANTS AND NAVAGATIONAL AIDS				610		610		660		660
B AIR SERVICE GRANTS				400		400		500		500
CIVIL AIR PATROL	65	65	65	17	82	65	65	22	87	65
B CIVIL AIR PATROL INCREASE				17		0		22		0
TOTAL EXPENDITURES	21,007	34,535	39,939	1,027	40,966	40,949	39,939	1,182	41,121	41,099
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
STATE AIRPORTS	6,846	10,397	9,021	1,027	10,048	10,031	9,021	1,182	10,203	10,181
STATUTORY APPROPRIATIONS:										
STATE AIRPORTS	401	2,066	917	0	917	917	917	0	917	917
FEDERAL	13,759	22,071	30,000	0	30,000	30,000	30,000	0	30,000	30,000
GIFTS AND DEPOSITS	1	1	1	0	1	1	1	0	1	1
TOTAL FINANCING	21,007	34,535	39,939	1,027	40,966	40,949	39,939	1,182	41,121	41,099
POSITIONS BY FUND:										
TOTAL POSITIONS										

PURPOSE: The airport development and assistance activity:

1. Assists municipalities through financial and technical programs to develop and maintain their airports, develop and improve their airport electrical systems and improve scheduled air service.
2. Develops and maintains electronic facilities to provide navigation and weather information to pilots.
3. Loans funds to municipalities for constructing airplane hangars to meet the needs on their airports.
4. Supports the maintenance and operation of the Piney-Pine Creek Border Airport.
5. Provides for updating the State Aviation System Plan.

EFFECTIVENESS MEASURES: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Satisfied requests for assistance				
Project development	112	115	115	115
Airport improvement grants	105	110	110	110
Maintenance Agreements	130	130	131	131
Electrical improvements	26	36	28	24
Electronic nav-aid improvements	33	30	24	26
New hangar spaces provided by loans	22	40	40	40

DESCRIPTION:

1. The airport development and assistance activity provides both technical and financial assistance to Minnesota municipalities owning 140 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 System Plan, 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.
2. Assistance is provided to municipalities in developing and improving airport electrical systems and navigational aids (nav-aids); assistance ranges from providing advice through total design and installation.
3. Loans are provided to municipalities for constructing aircraft hangars which are consistent with the airport development plans and provide feasible amortization of costs.
4. 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.
5. The State Aviation System Plan is periodically updated to determine the long term development needs of the individual airports as well as the collective needs of the state system of airports.
6. Financial and technical assistance is provided to municipalities for improving their scheduled air service.

GRANTS AND AIDS:

1. Airport Development Grants Statutory Reference: 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.

(Dollars in Thousands)

GRANTS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund	\$ 4,065	\$ 6,433	\$ 6,039	\$ 6,089

2. Airport Maintenance Grants Statutory Reference: 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.

(Dollars in Thousands)

GRANTS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund	\$ 1,594	\$ 2,427	\$ 1,853	\$ 1,853

3. Air Service Grants Statutory Reference: M.S. 360.305. Purpose: To assist municipalities that have scheduled air service under the federal Essential Air Service (EAS) program with a share of their local costs. Under the EAS program, cities can contract with a carrier for new or enhanced service. The federal government and the city with their share of the costs.

(Dollars in Thousands)

GRANTS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund	\$ 0	\$ 0	\$ 400	\$ 500

4. Federal Airport Improvement Program Grants Statutory Reference: 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.

(Dollars in Thousands)

GRANTS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal AIP	\$ 13,151	\$ 21,745	\$ 30,000	\$ 30,000

(Dollars in Thousands)

GRANTS BY FUND - SUMMARY:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund	\$ 5,659	\$ 8,860	\$ 8,292	\$ 8,442
Federal AIP grants	13,151	21,745	30,000	30,000
Total	\$ 18,810	\$ 30,605	\$ 38,292	\$ 38,442

EXPLANATION OF BUDGET REQUEST:

A CHANGE request is made to increase airport grants and navigational aids by \$610,000 in F.Y. 1990 and \$660,000 in F.Y. 1991 and a CHANGE request to increase air service grants \$400,000 in F.Y. 1990 and \$500,000 in F.Y. 1991.

REVENUE: This activity generates dedicated revenue.

ACTIVITY: AIRPORT DEVELOPMENT AND ASSISTANCE 1990-91 Biennial Budget
 (Continuation)
 Program: AERONAUTICS DEVELOPMENT AND ASSISTANCE
 Agency: TRANSPORTATION, DEPARTMENT OF

TYPE OF REVENUE:	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Dedicated-Federal	\$ 13,759	\$ 22,071	\$ 30,000	\$ 30,000
Dedicated-State Airports	401	2,066	917	917
Total Revenue	\$ 14,160	\$ 24,137	\$ 30,917	\$ 30,917

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : AERONAUTICS DEVELOP &ASSIST
BUDGET ACTIVITY : AIRPORT DVLPMNT & ASSISTNC

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	1,428	772	774	0	774	774	774	0	774	774
MISC OPERATING EXPENSES	102	109	109	0	109	109	109	0	109	109
SUPPLIES/MATERIALS/PARTS	93	62	62	0	62	62	62	0	62	62
CAPITAL EQUIPMENT	108	856	530	200	730	730	530	200	730	730
NON-EXPENSE DISBURSEMENTS	401	2,066	917	0	917	917	917	0	917	917
STATE OPERATIONS	2,132	3,865	2,392	200	2,592	2,592	2,392	200	2,592	2,592
LOCAL ASSISTANCE	18,810	30,605	37,482	810	38,292	38,292	37,482	960	38,442	38,442
TOTAL EXPENDITURES	20,942	34,470	39,874	1,010	40,884	40,884	39,874	1,160	41,034	41,034
CHANGE REQUESTS: FUND										
B AIRPORT GRANTS AND NAVAGATIONAL AIDS	AIR			610		610		660		660
B AIR SERVICE GRANTS	AIR			400		400		500		500
TOTAL CHANGE REQUESTS				1,010		1,010		1,160		1,160
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
STATE AIRPORTS	6,781	10,332	8,956	1,010	9,966	9,966	8,956	1,160	10,116	10,116
STATUTORY APPROPRIATIONS:										
STATE AIRPORTS	401	2,066	917	0	917	917	917	0	917	917
FEDERAL	13,759	22,071	30,000	0	30,000	30,000	30,000	0	30,000	30,000
GIFTS AND DEPOSITS	1	1	1	0	1	1	1	0	1	1
TOTAL FINANCING	20,942	34,470	39,874	1,010	40,884	40,884	39,874	1,160	41,034	41,034
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: AIRPORT GRANTS AND NAVIGATIONAL AIDS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
State Airports Fund	\$ 610	-0-	\$ 660	-0-
Governor's Recommendation				
State Airports Fund	\$ 610	-0-	\$ 660	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to provide increased funding for airport construction grants, airport maintenance grants, and navigational aids.

DESCRIPTION/BACKGROUND:

The agency provides airport construction grants to municipalities that own airports for capital improvements at their facilities. The agency also provides airport maintenance grants to reimburse the municipalities for a portion of the operating and maintenance costs. The airports must be zoned or be in the process of being zoned to be eligible to receive either construction or maintenance grants. The agency also operates a system of electronic navigation aids to supplement the system operated by the Federal Aviation Administration in Minnesota.

RATIONALE:

The increase in airport construction grants is needed to support the capital improvement needs identified in the agency's 5-year Capital Improvement Program (C.I.P). The C.I.P. is based on the anticipated 5-year needs submitted by each of the airports that responded to the agency's request for information.

Each year a few airports move to a higher classification level in the agency's criteria for reimbursement for maintenance and operating expenses. The increase in airport maintenance grants is to accommodate these changes.

The increase in navigational aids is to provide for installation and operation of precision landing systems at some of the busier airports that are not on the Federal Aviation Administration's implementation schedule. These systems will decrease the amount of time the airports are not usable due to marginal weather conditions.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund				
Construction Grants	\$ 4,088	\$ 6,433	\$ 5,689	\$ 5,689
Maintenance Grants	1,580	1,847	1,713	1,713
Navigational Aids	<u>1,062</u>	<u>2,044</u>	<u>1,546</u>	<u>1,546</u>
Totals	\$ 6,730	\$ 10,324	\$ 8,948	\$ 8,948

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
State Airports Fund			
Construction Grants	\$ 400	\$ 400	\$800
Maintenance Grants	60	60	120
Navigational Aids	<u>200</u>	<u>200</u>	<u>400</u>
Totals	\$ 660	\$ 660	\$1,320

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CH/ REQUEST 1990-91 Biennial Budget
 ___ Agency ___ Program X Activity

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

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

REQUEST TITLE: AIR SERVICE GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
State Airports Fund	\$ 400	-0-	\$ 500	-0-
Governor's Recommendation				
State Airports Fund	\$ 400	-0-	\$ 500	-0-

Request requires statutory change: X Yes ___ No
 Statutes Affected: Chapter 360.305. Subdivision 2

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to provide financial assistance to municipalities in securing new or enhanced air service under the federal Essential Air Service (EAS) Program.

DESCRIPTION/BACKGROUND:

The agency proposes to establish a program to participate with municipalities that contract for new or enhanced air service under the provisions of the EAS program. The EAS program permits municipalities which have air service under the program to contract with an air carrier to provide additional flights or to use larger aircraft. The program also has provision for some cities which currently do not have scheduled service to contract with a carrier to start service. The federal government will participate with the city in the costs of these contract with the air carrier. The agency proposes a program to provide financial assistance to these cities in sharing their costs.

RATIONALE:

Scheduled air transportation is important to the economic development of an area because it facilitates the exchange of goods and services and improves accessibility for visitors and area residents. Implementing this program will permit cities to ensure that adequate air transportation is available thereby enhancing the opportunities for economic growth to occur in their region. This request will provide \$400,000 the first year and \$500,000 the second year of the biennium to be used in conjunction with local funds for cities in greater Minnesota which are under the EAS Program to contract for new or enhanced air service.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
State Airports Fund	\$ 500	\$ 500	\$1,000

ACTIVITY: CIVIL AIR PATROL **1990-91 Biennial Budget**
Program: AERONAUTICS DEVELOPMENT & ASSISTANCE
Agency: TRANSPORTATION, DEPARTMENT OF

PURPOSE:

The Civil Air Patrol (C.A.P.) provides programs of youth development, aerospace education, emergency services and search and rescue (SAR) services.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Accident-free hours flown	3,400	3,400	3,400	3,400
SAR sorties flown	230	240	240	250
SAR person hours	5,500	5,600	5,700	5,700
SAR finds and saves	50	50	50	50

DESCRIPTION:

This is an activity in which the Office 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 and over) to participate in search and rescue missions and render assistance to civilian and military missing aircraft, missing sportsmen, and lost persons when requested by the local law enforcement agencies. There is no paid staff. Out of a fleet of 17 wing-owned and 54 private committed 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 5 areas with approximately 6 squadrons in each area.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of cadet members	550	560	570	580
Number of senior members	720	730	740	750
Number of seniors completing C.A.P. education	550	550	550	560
Number of members completing emergency services training	1,200	1,200	1,200	1,200
Number of cadets attending Minnesota solo flight encampment	16	18	20	22
Number of base radio stations	90	90	90	90
Number of mobile radio stations	380	380	380	380

GRANTS AND AIDS:

- Civil Air Patrol
 Statutory Reference: Laws 87, Ch. 358, Sec. 2, Subd. 8 (d). Purpose: Reimbursement for some Civil Air Patrol expenses incurred in Minnesota.

<u>GRANTS:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
State Airports Fund	\$ 65	\$ 65	\$ 82	\$ 87

REVENUE:

None.

EXPLANATION OF BUDGET REQUEST:

CHANGE requests of \$17,000 in F.Y. 1990 and \$22,000 in F.Y. 1991 is made to further the goals of the C.A.P. programs.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : AERONAUTICS DEVELOP &ASSIST
BUDGET ACTIVITY : CIVIL AIR PATROL

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	65	65	65	17	82	65	65	22	87	65
TOTAL EXPENDITURES	65	65	65	17	82	65	65	22	87	65
CHANGE REQUESTS:	FUND									
B CIVIL AIR PATROL INCREASE	AIR			17		0		22		0
TOTAL CHANGE REQUESTS				17		0		22		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
STATE AIRPORTS	65	65	65	17	82	65	65	22	87	65
TOTAL FINANCING	65	65	65	17	82	65	65	22	87	65
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CIVIL AIR PATROL
 PROGRAM: AERONAUTICS DEVELOPMENT & ASSISTANCE
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: CIVIL AIR PATROL INCREASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
State Airports Fund	\$ 17	-0-	\$ 22	-0-
Governor's Recommendation				
State Airports Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to support the Civil Air Patrol's (C.A.P.) programs in aerospace education, emergency services, and search and rescue (S.A.R.) services.

DESCRIPTION/BACKGROUND:

The C.A.P. is an auxiliary organization of the U.S. Air Force (U.S.A.F.) which supports a portion of their program. This agency also provides some financial resources to supplement income from membership fees and the U.S.A.F. The C.A.P. provides valuable service to the citizens of the state by providing aerial S.A.R. missions, searching for missing aircraft and assisting local law enforcement agencies to search for missing persons. The U.S.A.F. 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 this 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 aerospace education and in accomplishing its S.A.R. responsibilities. In addition to routine maintenance, the requested funds will be used to upgrade their avionics and communications equipment.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund	\$ 65	\$ 65	\$ 65	\$ 65

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
State Airports Fund	\$ 22	\$ 22	\$ 44

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

PROGRAM: OPERATIONS
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

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 \$19.6 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 over 225,000 acres of rights of way.
 - . permitting for entrances/oversized vehicles and utilities.
 - . speed zoning and signing of the system.
 - . operating and maintaining 933 traffic signals and flashing beacons (excludes signals within Minneapolis, St. Paul and Duluth).
7. managing and operating rest areas.
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 1987, 3.1 million licensed drivers operated nearly 3.3 million registered vehicles in Minnesota. Approximately 19.7 billion vehicle miles were traveled on the 12,100 mile trunk highway system alone.

In addition, users of the 30,100 miles of county state aid highways and the 2,000 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 \$410.0 million in F.Y. 1990 and \$410.0 million in F.Y. 1991. The agency proposes to accomplish this and routine highway maintenance with minimum need for additional funds.

EXPLANATION OF BUDGET REQUEST:

There are 2 activity specific CHANGE requests within operations. The first is for \$5,108,000 and 52.0 positions in each fiscal year. This request responds to increased service level demands caused by expansion of the roadway network and associated features. The second is for \$927,000 and 11.0 positions each year which provides funding to support increased demands placed on operations support personnel.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: a biennial reduction of \$4,261,000 and 16.0 positions for new service initiatives and a biennial reduction of \$1,582,000 and 6.0 positions for technology maintenance and support services.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : OPERATIONS

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MAINTENANCE	121,676	122,258	125,497	7,593	133,090	129,227	125,501	7,593	133,094	129,546
A HEALTH AND SAFETY TH				1,558		742		1,558		806
B NEW SERVICE INITIATIVES TH				5,108		2,852		5,108		3,103
B TECHNOLOGY MAINTENANCE AND SUPPORT SERVICES TH				927		136		927		136
CONSTRUCTION	51,200	56,135	58,372	1,976	60,348	59,704	58,400	1,976	60,376	60,071
A PROGRAM DELIVERY TH				1,976		1,332		1,976		1,671
TOTAL EXPENDITURES	172,876	178,393	183,869	9,569	193,438	188,931	183,901	9,569	193,470	189,617
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	101	0	0	0	0	0	0	0	0	0
TRUNK HIGHWAY	172,775	178,393	183,869	9,569	193,438	188,931	183,901	9,569	193,470	189,617
TOTAL FINANCING	172,876	178,393	183,869	9,569	193,438	188,931	183,901	9,569	193,470	189,617
POSITIONS BY FUND:										
TRUNK HIGHWAY	3,486.0	3,476.0	3,476.0	120.0	3,596.0	3,574.0	3,476.0	120.0	3,596.0	3,574.0
TOTAL POSITIONS	3,486.0	3,476.0	3,476.0	120.0	3,596.0	3,574.0	3,476.0	120.0	3,596.0	3,574.0

ACTIVITY: MAINTENANCE 1990-91 Biennial Budget
 Program: OPERATIONS
 Agency: TRANSPORTATION, DEPARTMENT OF

PURPOSE:

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.

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 28,836 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 20,188 lane miles of undivided and 8,648 lane miles of divided highway and adjoining right of way, including slope repair, vegetation control, debris clearance, and upkeep of 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, 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. 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.
8. Fabricating special snow plow assemblies at the central shop; fabricating and repairing other specialized equipment utilized in operations.

REVENUE:

This activity generates non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)				
	Actual F.Y. 1987	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 1,025	\$ 1,185	\$ 1,300	\$ 1,300	\$ 1,300

EXPLANATION OF BUDGET REQUEST:

There are 2 activity specific CHANGE requests. The first is for \$5,108,000 and 52.0 positions in each fiscal year. This request responds to increased service level demands caused by expansion of the roadway network and associated features. The second is for \$927,000 and 11.0 positions each year which provides funding to support increased demands placed on operations support personnel.

BASE LEVEL REVIEW:

A BASE level review has been completed on highway maintenance operations. This review is a separate submission to the legislature.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : OPERATIONS
BUDGET ACTIVITY : MAINTENANCE

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	78,402	79,903	83,122	2,019	85,141	84,202	83,122	2,019	85,141	84,517
EXPENSES/CONTRACTUAL SRVCS	10,696	9,078	9,098	897	9,995	9,448	9,102	897	9,999	9,452
MISC OPERATING EXPENSES	4,746	4,750	4,750	425	5,175	4,750	4,750	425	5,175	4,750
SUPPLIES/MATERIALS/PARTS	27,479	28,524	28,524	4,252	32,776	30,824	28,524	4,252	32,776	30,824
REAL PROPERTY	352	3	3	0	3	3	3	0	3	3
STATE OPERATIONS	121,675	122,258	125,497	7,593	133,090	129,227	125,501	7,593	133,094	129,546
AIDS TO INDIVIDUALS	1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	121,676	122,258	125,497	7,593	133,090	129,227	125,501	7,593	133,094	129,546
CHANGE REQUESTS: FUND										
A HEALTH AND SAFETY TH				1,558		742		1,558		806
B NEW SERVICE INITIATIVES TH				5,108		2,852		5,108		3,103
B TECHNOLOGY MAINTENANCE AND SUPPORT SERVICES TH				927		136		927		136
TOTAL CHANGE REQUESTS				7,593		3,730		7,593		4,045
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	101	0	0	0	0	0	0	0	0	0
TRUNK HIGHWAY	121,575	122,258	125,497	7,593	133,090	129,227	125,501	7,593	133,094	129,546
TOTAL FINANCING	121,676	122,258	125,497	7,593	133,090	129,227	125,501	7,593	133,094	129,546
POSITIONS BY FUND:										
TRUNK HIGHWAY	2,293.0	2,282.0	2,282.0	72.0	2,354.0	2,332.0	2,282.0	72.0	2,354.0	2,332.0
TOTAL POSITIONS	2,293.0	2,282.0	2,282.0	72.0	2,354.0	2,332.0	2,282.0	72.0	2,354.0	2,332.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: NEW SERVICE INITIATIVES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$5,108	52.0	\$5,108	52.0
Governor's Recommendation				
Trunk Highway Fund	\$2,852	36.0	\$3,103	36.0

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE level request is to respond to the increased service level demands caused by expansion of the roadway network and associated features, thus increasing maintenance services required. Also included in this request is funding for new services being provided.

DESCRIPTION AND RATIONALE FOR REQUEST:

Staffing for Road Openings

The staffing for performing the basic maintenance of Minnesota's state and interstate highway system is directly related to the specific factors such as levels of service objectives, the number of lane miles, the number and type of interchanges, traffic volumes, etc. In the early 1970's, Mn/DOT developed a mathematical formula approach to relate workload to personnel required. As the quality and capability of our equipment, our methodology and our personnel have progressed, the formula has been adjusted accordingly.

Net increases in lane miles that need to be staffed during the biennium is 221 lane miles (55 in F.Y.1990, 166 in F.Y.1991). Net increases in separated grade interchanges are 19 (6 in F.Y.1990, 13 in F.Y.1991). By formula, this translates into 29 highway maintenance workers for the biennium.

In addition, legislation passed in 1988 transferred jurisdiction of roadway authority on some roads in Hennepin County. Included was the transfer of County Road 62 (from I494 to TH55) and County Road 18 (from I494 to TH169 in Brooklyn Park) to the state and some lower traffic volume state highways to the county. The net effect on the state system was 65 fewer lane miles and 30 more interchanges. The increased traffic volumes, complex geometry, and condition results in the need for 16.0 additional positions to provide the approved level of maintenance on these roadways. If the positions are not approved the level of maintenance in the west metro area will decline and motorists will experience longer periods of icy and snow-covered roads.

In 1985, when the jurisdiction transfers were being discussed Mn/DOT District

5 (west metro area) had vacant positions created through improved efficiency adequate to "cover" the increased needs from the proposed transfers. In 1985 the transfers were not made and the vacant positions were reassigned to program delivery. Therefore, the positions were not available for assignment to the increased maintenance needs resulting from the transfer in 1988-89.

Staffing for Highway Operation

Over the last several years Mn/DOT has been gradually moving toward "operating" the highway system. By getting more vehicle capacity out of a given highway lane, we can delay adding expensive capacity (lanes) to the highway system. To begin this effort we have absorbed these tasks (highway helpers, gate keepers on highway lanes) within our existing complement. The impact of this has been at the expense of our maintenance level of service. Mn/DOT has identified 4.0 positions that have incrementally been diverted from maintenance work to provide these additional services. We anticipate further expanding the highway helper program and are requesting an additional 7.0 positions to operate that expansion.

Supplies, Materials & Repair Parts

Increased workload in terms of lane miles and interchanges also leads to increasing quantities of materials such as traffic line paints, deicing chemicals, field supplies, etc. As workload increases, so do equipment needs increase which, whether it be in the form of additional units required or increasing usage of existing equipment, also leads to increased fuel consumption, repair parts, etc. Funds to accommodate increased material and supply costs associated with increased workload are included in this CHANGE level request.

Rental of Equipment

Technological advancements in equipment over recent years provide a wide variety of opportunities that greatly improve our ability to become more productive through mechanization. The availability of rental units is also on the rise in many parts of the state, making rental of low usage, specialized equipment a very effective and efficient alternate to owning. Since the road equipment budget request this biennium is concentrating on replacements, this CHANGE level request would provide funds to not only capitalize on the rental opportunities of today's more sophisticated equipment on a project by project basis, it will also provide for the fact that road equipment funds are not being requested for any additional equipment to meet these New Service Initiatives.

Roadside Maintenance

Mn/DOT has approximately 228,000 acres of trunk highway right of way outside of the roadway shoulder. Responsibility for this portion of the trunk highway system includes fence and noise wall repair, drainage maintenance, roadside mowing, weed and brush control and debris clearance. An aging system of drainage facilities is creating a need for enhanced inspection and maintenance programming. Inadequate weed and brush control continues to generate complaints from abutting property owners, particularly farmers. Complaints relative to litter along the highways, particularly in the metropolitan areas, are increasing to the point that there is clearly a need for increased emphasis on litter prevention and cleanup. A specific portion of this CHANGE level will be committed to an anti-litter promotion campaign.

Traffic Services Maintenance

Traffic services includes the maintenance of traffic signs, pavement striping and markings, traffic barriers, highway lighting and traffic signal:)-

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

creased emphasis on traffic safety has led to an increasing need to utilize higher intensity reflective sign materials. Brighter and longer life pavement marking paints need to be identified and utilized. Frequency of repainting centerline and edge lines needs to be increased on both high and low volume roadways. Improved signal failure prevention procedures coupled with an ability to respond more rapidly to signal outages are techniques needed to be utilized to avoid the congestion caused by these incidents on high volume highways. The above all create a need for New Initiatives in traffic services and the increased costs for these materials and equipment are reflected in this CHANGE level request.

Roadway Surface Repair

Rapid setting concrete patching materials as well as bituminous materials that more permanently patch potholes are available today. Increased utilization of these and other materials are needed to further reduce the frequency and duration of congestion caused by roadway maintenance activities. These sophisticated materials vary from twice to sometimes 10 times the cost of the materials most commonly used in the past. Furthermore, specifications for bituminous materials used for spot overlays in maintenance need to be upgraded to higher industry design standards to avoid premature rutting and flushing. This will increase unit material costs. Funding for the increased use of these types of modern day materials is included in the CHANGE level under New Initiatives.

Radio Tower Maintenance

During previous bienniums, the repainting of radio communication towers has been funded by the construction program. While this activity will continue to be done by contract, it is proposed that it be more properly assigned and administered through the Operations budget; thus \$100,000 of this CHANGE level request is designated to tower repainting. This will allow the scheduling of 1 or 2 towers per year, which is about a 10 year repainting cycle.

Non-Corrosive Deicing Chemicals

During recent winters, Mn/DOT has been very aggressive in experimentation of methods and materials aimed at reducing the corrosive effects of chemicals used to melt ice and compacted snow on road surfaces. Several experiments are being conducted during the winter of 1988-89, some of which are experiments continued from previous winters. There is clear evidence that non-corrosive deicing chemicals and techniques will be ready for expanded use very soon. A CHANGE level of \$2 M is included in this request in order to expand the use of selected high potential materials in 1 or more metropolitan and rural sub areas commencing with the winter of 1989-90. This funding will also support the development of more sophisticated application equipment and methodology that will be necessary because of the increased cost of the material, estimated to be a minimum of \$130 per ton, compared to \$30 for the rock salt used today.

BASE	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund Expenditures				
Staff for Road Openings	\$ 0	\$ 0	\$ 0	\$ 0
Positions	0	0	0	0
New Staff for Highway Operation	\$ 0	\$ 0	\$ 0	\$ 0
Positions	0	0	0	0
Road Repair	\$ 110,677	\$ 111,603	\$ 114,842	\$ 114,842
Positions	2,277.0	2,267.0	2,267.0	2,267.0
Radio Tower Maintenance	\$ 0	\$ 0	\$ 0	\$ 0
Positions	0	0	0	0
Non-corrosive Deicing Chemicals	\$ 0	\$ 0	\$ 0	\$ 0
Positions	0	0	0	0
Totals	\$ 110,677	\$ 111,603	\$ 114,842	\$ 114,842
Position Totals	2,277.0	2,267.0	2,267.0	2,267.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund Expenditures			
Staff for Road Openings	\$ 808	\$ 808	\$ 1,616
Positions	29.0	29.0	29.0
New Staff for Highway Operation	\$ 641	\$ 641	\$ 1,282
Positions	23	23	23
Road Repair	\$ 2,559	\$ 2,559	\$ 5,118
Positions	0	0	0
Radio Tower Maintenance	\$ 100	\$ 100	\$ 100
Positions	0	0	0
Non-corrosive Deicing Chemicals	\$ 1,000	\$ 1,000	\$ 2,000
Totals	\$ 5,108	\$ 5,108	\$10,216
Position Totals	52	52	52

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation provides 29.0 positions and \$606,000 in 1990 and \$808,000 in 1991 for new road openings and recently acquired existing roadways. Also, in the interest of alleviating congestion on metro freeways, 7.0 additional positions and \$146,000 in 1990 and \$195,000 in 1991 are provided for the highway helper activity.

In addition to the above positions, the Governor recommends the following: \$2,000,000 for the biennium for supplies and materials, \$200,000 for radio tower maintenance and \$2,000,000 for non-corrosive deicing.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: TECHNOLOGY MAINTENANCE & SUPPORT SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 927	11.0	\$ 927	11.0
Governor's Recommendation				
Trunk Highway Fund	\$ 136	5.0	\$ 136	5.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE level request is to provide funding to support the increased demands placed on support personnel within the Operations Division, to meet the changes in computer technology, the need for additional clerical support personnel, and to provide sufficient employees and supplies to maintain the buildings and equipment within the division.

The objective is to provide the division managers with adequate personnel and materials needed to meet technological changes and to provide required licensed electricians and plumbers to maintain state buildings.

DESCRIPTION AND RATIONALE FOR REQUEST:

Mn/DOT currently maintains over 700 buildings throughout the state. The average age of the buildings that house personnel and equipment is in excess of 25 years old. Buildings and safety code changes have also placed an increased demand on modifications and repairs. In order to maintain our investment and the health and well-being of our employees, additional personnel and materials are necessary.

In the past several years, Mn/DOT has seen a dramatic change in the use, cost, availability, and complexity of automation technology. With these changes come the increasing need and responsibility for planning and coordinating our application of the technology and the information it supplies. To meet these changes, additional personnel and materials are needed to provide the assistance to maintain existing computer hardware and software.

Due to a recent clarification of M.S. 326.242 Subd. 1, effective 1-2-89 "agencies having persons performing electrical work are required to have in their employ a licensed master electrician who is charged with the responsibility of laying out and supervising the electrical work performed and to provide the on-the-job supervision of all electrical work." In the past, the master electrician requirement was met by using services of a single licensed master electrician assigned to Mn/DOT Central Office.

This electrical license change and the requirement that all plumbing work in state agencies be performed by a licensed master plumber, or under their direction, will require Mn/DOT to hire additional electricians and/or plumbers to meet their property management needs.

Implementing this CHANGE level request will allow the division through the various operating units to:

- Complete needed facility repairs and modernize, where required, to protect the investment and for the health and well-being of the employees.
- Continue the responsibility for the planning and coordination of the divisions' automation technology.
- Move toward compliance with Minn. Statutes 326.242 Subd. 1, 326.01, and 326.40 relating to the requirement of each employer who has employees doing electrical and plumbing work to have a master license.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund Expenditures				
Building Maintenance	\$ 10,080	\$ 10,067	\$ 10,067	\$ 10,067
Positions	2.0	2.0	2.0	2.0
Automation Technology	138	209	209	209
Positions	3.0	3.0	3.0	3.0
Electrician/Plumber: State Codes	165	172	172	172
Positions	5.0	5.0	5.0	5.0
Total	\$ 10,383	\$ 10,448	\$ 10,448	\$ 10,448
Total Positions	10.0	10.0	10.0	10.0

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund Expenditures			
Building Maintenance	\$ 627	\$ 627	\$ 1,254
Positions	0	0	0
Automation Technology	164	164	328
Positions	6.0	6.0	6.0
Electrician/Plumber: State Codes	136	136	272
Positions	5.0	5.0	5.0
Total	\$ 927	\$ 927	\$ 1,854
Total Positions	11.0	11.0	11.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends 5.0 positions and \$136,000 each year for electricians and plumbers to maintain department facilities and to comply with current laws.

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

1990-91 Biennial Budget

PURPOSE:

1. 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.
2. To provide all of the pre-construction plans and documents necessary to process a project from conception to contract bid letting.
3. To provide construction management of the construction program.

DESCRIPTION: The Construction Support activity consists of 3 distinctly different but closely related activities:

1. 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 19% of the time of the construction support complement (1195) 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
 - o on trunk highways
 - o for cities
 - o for counties
- plat reviews
- entrance permit reviews
- signal system management
- technical assistance
 - o to cities
 - o to counties

2. Preconstruction/Plan Development: This activity accounts for approximately 41% of the Construction Support complement's time. It includes the following:
 - administration/management of consultant contracts
 - 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 38% 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 and documentation
- measurement of quantities
- determination of partial payments to contractors
- preparation of final plans (as-built)
- contract closeout documents and payments
- contract administration in general
- administration/management of consultant contracts
- administration of Bituminous Quality Management Program (includes design and monitoring of bituminous mixtures)

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 1195, 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

(Dollars in Thousands)

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Volume of construction contracts	\$ 396	\$ 400	\$ 400	\$ 400

REVENUE: None.

EXPLANATION OF BUDGET REQUEST: There are no CHANGE requests specific to this activity.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : OPERATIONS
BUDGET ACTIVITY : CONSTRUCTION

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	48,407	53,255	55,311	1,356	56,667	56,328	55,311	1,356	56,667	56,667
EXPENSES/CONTRACTUAL SRVCS	1,430	1,702	1,883	0	1,883	1,883	1,911	0	1,911	1,911
MISC OPERATING EXPENSES	766	742	742	305	1,047	742	742	305	1,047	742
SUPPLIES/MATERIALS/PARTS	583	436	436	315	751	751	436	315	751	751
CAPITAL EQUIPMENT	14	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	51,200	56,135	58,372	1,976	60,348	59,704	58,400	1,976	60,376	60,071
CHANGE REQUESTS:										
A PROGRAM DELIVERY				1,976		1,332		1,976		1,671
TOTAL CHANGE REQUESTS				1,976		1,332		1,976		1,671
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	51,200	56,135	58,372	1,976	60,348	59,704	58,400	1,976	60,376	60,071
TOTAL FINANCING	51,200	56,135	58,372	1,976	60,348	59,704	58,400	1,976	60,376	60,071
POSITIONS BY FUND:										
TRUNK HIGHWAY	1,193.0	1,194.0	1,194.0	48.0	1,242.0	1,242.0	1,194.0	48.0	1,242.0	1,242.0
TOTAL POSITIONS	1,193.0	1,194.0	1,194.0	48.0	1,242.0	1,242.0	1,194.0	48.0	1,242.0	1,242.0

PROGRAM: TECHNICAL SERVICES
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

In the electronic communications activity there is 1.0 CHANGE request for \$104,000 and 2.0 positions in each fiscal year.

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:

- development of 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

EXPLANATION OF BUDGET REQUEST:

The program delivery activity has 3 CHANGE requests totalling \$830,000 and 6.0 positions in F.Y. 1990 and \$880,000 and 6.0 positions in F.Y. 1991.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$300,000 for the cooperative program for transportation research and studies.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : TECHNICAL SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PROGRAM DELIVERY	41,164	47,199	48,449	5,185	53,634	55,072	48,449	4,994	53,443	54,182
A COLD REGIONS TEST FACILITIES				628		628		387		387
A PROGRAM DELIVERY				3,727		5,165		3,727		4,466
B NEW MATERIALS LAB FACILITY				84		84		84		84
B ELECTRICAL SERVICE OPERATIONS				346		346		396		396
B COOPERATIVE RESEARCH STUDIES				400		250		400		250
B WILDFLOWER ROADSIDE PROGRAM				0		150		0		150
STATE AID TECH ASSIST	786	956	946	0	946	946	946	0	946	946
ELECTRONIC COMMUNICATIONS	2,595	2,666	2,712	104	2,816	2,816	2,712	104	2,816	2,816
B ELECTRONIC COMMUNICATIONS MAINTENANCE				104		104		104		104
TOTAL EXPENDITURES	44,545	50,821	52,107	5,289	57,396	58,834	52,107	5,098	57,205	57,944
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	44,545	50,821	52,107	5,289	57,396	58,834	52,107	5,098	57,205	57,944
TOTAL FINANCING	44,545	50,821	52,107	5,289	57,396	58,834	52,107	5,098	57,205	57,944
POSITIONS BY FUND:										
TRUNK HIGHWAY	699.0	699.0	699.0	17.0	716.0	762.0	699.0	17.0	716.0	762.0
TOTAL POSITIONS	699.0	699.0	699.0	17.0	716.0	762.0	699.0	17.0	716.0	762.0

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

1990-91 Biennial Budget

PURPOSE:

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

1. To develop policies and standards for all program delivery functions and to review engineering and technical functions for compliance and quality.
2. To perform centralized preconstruction 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.
5. To manage interstate highway operations for the Twin City freeway system.
6. To manage centralized maintenance functions for
 - a. Electronic communications systems and electronic equipment (automation systems)
 - b. Electrical systems (for lighting, signals, traffic surveillance).

DESCRIPTION:

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

Preconstruction/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
- Manage consultant, municipal and utility agreements

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

EXPLANATION OF BUDGET REQUEST:

	(Dollars in Thousands)	
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
CHANGE Requests		
New Materials Lab Facility	\$ 84	\$ 84
Electrical Services Operations	346	396
Cooperative Research Studies	400	400
Totals	<u>\$ 830</u>	<u>\$ 880</u>

REVENUE

None

BASE LEVEL REVIEW:

A BASE level review has been completed on the use of consultants by Mn/DOT. This review is a separate submission to the legislature.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : TECHNICAL SERVICES
BUDGET ACTIVITY : PROGRAM DELIVERY

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	24,633	26,075	26,592	479	27,071	29,410	26,592	479	27,071	29,410
EXPENSES/CONTRACTUAL SRVCS	14,846	19,382	19,645	4,434	24,079	23,128	19,645	4,194	23,839	22,189
MISC OPERATING EXPENSES	539	617	817	14	831	831	817	14	831	831
SUPPLIES/MATERIALS/PARTS	1,146	1,125	1,395	258	1,653	1,653	1,395	307	1,702	1,702
STATE OPERATIONS	41,164	47,199	48,449	5,185	53,634	55,022	48,449	4,994	53,443	54,132
LOCAL ASSISTANCE	0	0	0	0	0	50	0	0	0	50
TOTAL EXPENDITURES	41,164	47,199	48,449	5,185	53,634	55,072	48,449	4,994	53,443	54,182
CHANGE REQUESTS:										
A COLD REGIONS TEST FACILITIES				628		628		387		387
A PROGRAM DELIVERY				3,727		5,165		3,727		4,466
B NEH MATERIALS LAB FACILITY				84		84		84		84
B ELECTRICAL SERVICE OPERATIONS				346		346		396		396
B COOPERATIVE RESEARCH STUDIES				400		250		400		250
B WILDFLOWER ROADSIDE PROGRAM				0		150		0		150
TOTAL CHANGE REQUESTS				5,185		6,623		4,994		5,733
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	41,164	47,199	48,449	5,185	53,634	55,072	48,449	4,994	53,443	54,182
TOTAL FINANCING	41,164	47,199	48,449	5,185	53,634	55,072	48,449	4,994	53,443	54,182
POSITIONS BY FUND:										
TRUNK HIGHWAY	620.0	620.0	620.0	15.0	635.0	681.0	620.0	15.0	635.0	681.0
TOTAL POSITIONS	620.0	620.0	620.0	15.0	635.0	681.0	620.0	15.0	635.0	681.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: NEW MATERIALS LAB FACILITY

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 84	3.0	\$ 84	3.0
Governor's Recommendation				
Trunk Highway Fund	\$ 84	3.0	\$ 84	3.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE level request is to provide the additional staffing required for the operation and maintenance of the new Materials Lab, scheduled for completion and occupancy in early F.Y. 1990.

DESCRIPTION/RATIONALE FOR REQUEST:

The Materials Lab is currently located in the Transportation Building. Construction is underway for the new lab with completion and occupancy scheduled for the fall of 1989.

As this is a separate and remote facility, normal but previously unbudgeted operating and maintenance costs will be incurred. Because of the remote location, custodial and clerical staff will be required.

According to the building maintenance experts, a building of this size would require 2 custodians. Therefore, this request includes 2 maintenance personnel. One clerical position is requested to accomplish work that is currently done by a shared secretary who cannot provide support at 2 different locations.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 4,794	\$ 5,079	\$ 5,099	\$ 5,099
Positions	130.0	130.0	130.0	130.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 84	\$ 84	\$ 168
Positions	3.0	3.0	3.0

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

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

REQUEST TITLE: ELECTRICAL SERVICES OPERATION

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 346	3.0	\$ 396	3.0

Governor's Recommendation

Trunk Highway Fund	\$ 346	3.0	\$ 396	3.0
--------------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE level request is to provide resources to handle a significantly increasing workload and ultimately ensure safety for the motoring public.

DESCRIPTION/RATIONALE FOR REQUEST:

The Electrical Services Unit maintains the signalized intersections, traffic management systems and lighting for the entire state. The number of signal installations has increased 6% in the past year. There has been an average of almost 40 new signals each year since 1983. The number of roadway lights has increased 3.8% in the past year. Since 1983, there has been an average of 185 new lights each year. On 7-1-88 maintenance of 1,155 additional roadway lights was assumed (an additional 5.4% increase) when the Mn/DOT-Hennepin County transfer of roadways took place. The workload of the Traffic Management Center maintenance is expected to double by the F.Y. 1990-1991 biennium. For example, in December, 1988, 42 isolated ramp meter locations will be let. All these impact maintenance provided by the Electrical Services Unit and require additional resources.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 5,254	\$ 5,646	\$ 5,920	\$ 5,920
Positions	106.0	107.0	107.0	107.0

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 346	\$ 346	\$ 692
Positions	3.0	3.0	3.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: COOPERATIVE PROGRAM FOR TRANSPORTATION RESEARCH AND STUDIES (COPTRS)

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 400	-0-	\$ 400	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ 250	-0-	\$ 250	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE level request is to provide funding for additional cooperative projects and to move more rapidly on some projects currently underway.

DESCRIPTION/RATIONALE FOR REQUEST:

In F.Y. 1988, 15 projects were under contract for a total cost of \$506,714, of which \$492,500 was covered by COPTRS. The remaining \$14,214 was funded by other budgets in Mn/DOT from offices which had initially requested that the project be undertaken. There are 9 projects identified in the first quarter of F.Y. 1989 for a total cost of \$269,611. Five of these are continuations of prior year projects. The COPTRS funding level of F.Y. 1989 is \$250,000. Generally, at this level 4 or 5 new projects are started each year; however, the F.Y. 1989 program has already exceeded the \$250,000 level, and no new projects can be added without an increase.

Two of the currently active projects have the potential of nationwide impact on the transportation industry. They are:

1. The development of a machine vision traffic detector system; and
2. A natural method for the control of Canada Thistle and Leafy Spurge on highway right-of-ways.

The first provides a cost-effective alternative to the loop detector system currently in place as well as offering the potential for more sophisticated traffic control systems. The second is an alternative to the methods currently being used which are becoming increasingly costly and environmentally unacceptable.

The request to increase COPTRS funding is based on the desire to provide additional, needed transportation research and studies to help Mn/DOT effectively

solve transportation problems and speed the transfer of new technology to the transportation system.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$438	\$250	\$250	\$250

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 400	\$ 400	\$ 800

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$300,000.

CHANGE REQUEST

1990-91 Biennial Budget

Agency _____ Program _____ X Activity

ACTIVITY: PROGRAM DELIVERY

PROGRAM: TECHNICAL SERVICES

AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: WILD FLOWER/NATIVE PRAIRIE GRASSES/ROADSIDE PLANTING PROGRAM

	<u>F.Y. 1990</u>		<u>F.Y. 1991</u>	
	(000's) <u>Amount</u>	<u>Positions</u>	(000's) <u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
Trunk Highway fund	\$ 150	1.0	\$ 150	1.0

Request requires statutory change: _____ Yes X No

Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends funds to preserve and enhance wildflowers, native prairie grasses and other plantings on the trunk highway right of way.

DESCRIPTION/BACKGROUND:

These funds would be used by MN/DOT to preserve and enhance native vegetation on trunk highway right of way by initiating an ongoing program comprised of research, matching grants to local units of government, training for maintenance workers and a position for ongoing management of the program. It is proposed that wildflower research will be conducted in conjunction with the University of Minnesota Landscape Arboretum. Matching grants would encourage efforts at the local level for roadside enhancement.

RATIONALE:

The expansion of wildflowers and other plantings on Minnesota roadsides provides an opportunity to enhance roadside beauty and will be an attraction for tourism. In addition, by developing roadside management practices that enhance native vegetation, there will be improved wildlife habitat, reduced mowing and reduced incidence of littering.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
Trunk Highway Fund	\$ 150	\$ 150	\$ 300

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : TECHNICAL SERVICES
BUDGET ACTIVITY : STATE AID TECH ASSIST

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	741	807	823	0	823	823	823	0	823	823
EXPENSES/CONTRACTUAL SRVCS	34	80	54	0	54	54	54	0	54	54
MISC OPERATING EXPENSES	8	14	14	0	14	14	14	0	14	14
SUPPLIES/MATERIALS/PARTS	3	55	55	0	55	55	55	0	55	55
TOTAL EXPENDITURES	786	956	946	0	946	946	946	0	946	946
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	786	956	946	0	946	946	946	0	946	946
TOTAL FINANCING	786	956	946	0	946	946	946	0	946	946
POSITIONS BY FUND:										
TRUNK HIGHWAY	20.0	20.0	20.0	0.0	20.0	20.0	20.0	0.0	20.0	20.0
TOTAL POSITIONS	20.0	20.0	20.0	0.0	20.0	20.0	20.0	0.0	20.0	20.0

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

1990-91 Biennial Budget

PURPOSE:

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: 950 personal computers, 10 telephone systems, 4,219 mobile radios, 2,339 portable radios, 570 base transmitting stations, 8 national weather service (NWS) broadcasting stations, 8 electronic weighing stations, 2 navigational aid facilities, 15 airport lighting systems, 6 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. Sixteen 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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Repair service requests completed or anticipated	15,000	16,000	17,000	18,000
Engineering tasks completed-total	54	54	54	54
for Mn/DOT	23	23	23	23
for other state/local agencies	31	31	31	31
Mobile radio installations	1,850	1,900	1,950	2,000
Microwave systems maintained	20	21	21	21
CCTV systems maintained	6	6	6	6
Local Area Networks	1	4	10	16
Wide Area Networks	1	1	1	1
Motorist Call Boxes		0	100	100
Cellular Telephones		5	35	35
NWS stations maintained	8	8	8	8
Radar speed timing devices maintained	663	663	663	663
Electronic scales maintained	8	8	8	8
We g-in-motion scales maintained	6	6	6	6

STATISTICS (Cont.):

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Maintenance of telephone systems	8	10	10	10
Maintenance of personal computers	350	550	750	950

REVENUE:

None.

EXPLANATION OF BUDGET REQUEST:

One CHANGE request for electronic communications maintenance is made for \$104,000 and 2.0 positions in F.Y. 1990 and \$104,000 and 2.0 positions in F.Y. 1991.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : TECHNICAL SERVICES
BUDGET ACTIVITY : ELECTRONIC COMMUNICATIONS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,260	2,321	2,367	54	2,421	2,421	2,367	54	2,421	2,421
EXPENSES/CONTRACTUAL SRVCS	60	16	16	0	16	16	16	0	16	16
MISC OPERATING EXPENSES	76	74	74	0	74	74	74	0	74	74
SUPPLIES/MATERIALS/PARTS	199	255	255	50	305	305	255	50	305	305
TOTAL EXPENDITURES	2,595	2,666	2,712	104	2,816	2,816	2,712	104	2,816	2,816
CHANGE REQUESTS: FUND										
B ELECTRONIC COMMUNICATIONS MAINTENANCE				104		104		104		104
TOTAL CHANGE REQUESTS				104		104		104		104
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	2,595	2,666	2,712	104	2,816	2,816	2,712	104	2,816	2,816
TOTAL FINANCING	2,595	2,666	2,712	104	2,816	2,816	2,712	104	2,816	2,816
POSITIONS BY FUND:										
TRUNK HIGHWAY	59.0	59.0	59.0	2.0	61.0	61.0	59.0	2.0	61.0	61.0
TOTAL POSITIONS	59.0	59.0	59.0	2.0	61.0	61.0	59.0	2.0	61.0	61.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: ELECTRONIC COMMUNICATIONS MAINTENANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 104	2.0	\$ 104	2.0

Governor's Recommendation

Trunk Highway Fund	\$ 104	2.0	\$ 104	2.0
--------------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this CHANGE level request is to respond to the growth in the electronic and radio hardware in Mn/DOT, State Patrol and DNR and the resultant maintenance impact.

DESCRIPTION/RATIONALE FOR REQUEST:

In the last 3 years, Mn/DOT, Public Safety and DNR have greatly increased their amount of computers, radios and radars used by employees for law enforcement, program delivery and fire fighting.

The addition of 500 vehicular repeaters, 500 portables and 90 radars for the State Patrol, 305 portables for DNR Enforcement and Fire Fighting activities, and 107 portables for Mn/DOT Surveys, additional personal computers, networking devices and workstations for Mn/DOT require us to purchase and stock a larger amount of electronic parts to maintain this equipment.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 2,595	\$ 2,666	\$ 2,712	\$ 2,712
Positions	59.0	59.0	59.0	59.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 104	\$ 104	\$ 208
Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The governor concurs with the agency's request.

PROGRAM: PROGRAM MANAGEMENT
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

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 6 budget activities of the Program Management Division: Highway Programs, Motor Carrier Administration, Railroads and Waterways, Transit Administration, Aeronautics Administration, and Transportation Data Analysis.

OPERATION:

This program encompasses the following major functions:

1. Highway Program Administration 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 Administration 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 and hazardous waste transporters are licensed. 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. Aeronautics Administration professionally administers federal and state flying 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 administration, airport development and assistance, air transportation services, and the Civil Air Patrol.

6. Transportation Data 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 encourage required planning and to develop transit, rail, and waterway alternatives, and investigate new traffic level forecasting techniques.

EXPLANATION OF BUDGET REQUEST:

One CHANGE item is requested in the transportation data analysis activity for F.Y. 1990: \$838,000 for a Travel Behavior Inventory Study (other half to be funded by the Metro Council) and 6.0 positions for the Transportation Information System (5.0 of the 6.0 positions are a move from permanent noncomplement to permanent complement status).

For F.Y. 1991, \$129,000 is needed for completion of the Travel Behavior Inventory Study (other half to be funded by the Metro Council) and the 6.0 positions for the Transportation Information System.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PROGRAM MANAGEMENT

ACTIVITY EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
HIGHWAY PROGRAM ADMINISTRATION	2,456	2,606	2,650	0	2,650	2,650	2,650	0	2,650	2,650
MOTOR CARRIER ADMINISTRATION	1,207	1,744	1,739	0	1,739	1,739	1,739	0	1,739	1,739
RAILROADS & WATERWAYS	990	1,056	1,075	0	1,075	1,075	1,075	0	1,075	1,075
TRANSIT ADMINISTRATION	1,115	1,419	1,432	0	1,432	1,432	1,432	0	1,432	1,432
AERONAUTICS ADMINISTRATION	2,485	2,671	2,701	798	3,499	3,499	2,703	906	3,609	3,609
A AVIATION SUPPLIES, SERVICES AND SUPPORT AIR				798		798		906		906
TRANS DATA ANALYSIS	3,131	3,780	3,233	838	4,071	4,071	3,233	129	3,362	3,362
B TRANSPORTATION STUDIES TH				838		838		129		129
TOTAL EXPENDITURES	11,384	13,276	12,830	1,636	14,466	14,466	12,832	1,035	13,867	13,867
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	658	698	708	0	708	708	708	0	708	708
STATE AIRPORTS	2,464	2,608	2,645	798	3,443	3,443	2,647	906	3,553	3,553
TRUNK HIGHWAY	6,261	6,815	6,969	838	7,807	7,807	6,969	129	7,098	7,098
STATUTORY APPROPRIATIONS:										
TRUNK HIGHWAY	287	815	201	0	201	201	201	0	201	201
FEDERAL	1,714	2,340	2,307	0	2,307	2,307	2,307	0	2,307	2,307
TOTAL FINANCING	11,384	13,276	12,830	1,636	14,466	14,466	12,832	1,035	13,867	13,867
POSITIONS BY FUND:										
GENERAL	14.0	14.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0
STATE AIRPORTS	34.0	34.0	34.0	1.0	35.0	35.0	34.0	1.0	35.0	35.0
TRUNK HIGHWAY	140.0	140.0	140.0	6.0	146.0	146.0	140.0	6.0	146.0	146.0
FEDERAL	16.0	16.0	16.0	0.0	16.0	16.0	16.0	0.0	16.0	16.0
TOTAL POSITIONS	204.0	204.0	204.0	7.0	211.0	211.0	204.0	7.0	211.0	211.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PROGRAM MANAGEMENT
BUDGET ACTIVITY : HIGHWAY PROGRAM ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,318	1,400	1,427	0	1,427	1,427	1,427	0	1,427	1,427
EXPENSES/CONTRACTUAL SRVCS	53	127	126	0	126	126	126	0	126	126
MISC OPERATING EXPENSES	41	42	42	0	42	42	42	0	42	42
SUPPLIES/MATERIALS/PARTS	10	9	9	0	9	9	9	0	9	9
STATE OPERATIONS	1,422	1,578	1,604	0	1,604	1,604	1,604	0	1,604	1,604
LOCAL ASSISTANCE	1,034	1,028	1,046	0	1,046	1,046	1,046	0	1,046	1,046
TOTAL EXPENDITURES	2,456	2,606	2,650	0	2,650	2,650	2,650	0	2,650	2,650
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	66	75	75	0	75	75	75	0	75	75
TRUNK HIGHWAY	1,581	1,731	1,775	0	1,775	1,775	1,775	0	1,775	1,775
STATUTORY APPROPRIATIONS:										
FEDERAL	809	800	800	0	800	800	800	0	800	800
TOTAL FINANCING	2,456	2,606	2,650	0	2,650	2,650	2,650	0	2,650	2,650
POSITIONS BY FUND:										
GENERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TRUNK HIGHWAY	30.0	30.0	30.0	0.0	30.0	30.0	30.0	0.0	30.0	30.0
TOTAL POSITIONS	31.0	31.0	31.0	0.0	31.0	31.0	31.0	0.0	31.0	31.0

ACTIVITY: MOTOR CARRIER ADMINISTRATION
Program: PROGRAM MANAGEMENT
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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 400,000 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. (10,000)
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 providers of special transportation services.
12. Provide support, education programs for industry, county attorneys, county judges, local police and fire departments, vo-tech classes and the state patrol, on a continual basis.
13. Staff State Hazardous Materials Response Team.
14. License hazardous waste transporters operating in or through Minnesota.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Intrastate vehicle registration	24,800	25,300	25,800	26,300
Interstate exempt stamps	12,400	12,000	11,600	11,200
Interstate regulated stamps	391,500	406,000	416,000	426,000
New intrastate authority applications	620	635	650	660
Intrastate authority cancellations	282	300	320	340

<u>STATISTICS: (Contd.)</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Special Transportation Service (STS) renewals	120	155	185	205
New STS applications	25	30	35	35
STS vehicles inspected	-0-	-0-	1300	1450
Building movers	54	65	75	85
Complaints	251	265	275	285
Carrier audits	32	40	40	40
Safety reviews	273	600	600	600
Vehicles inspected	5426	4500	4500	4500
Vehicles out of service	933	800	800	800
Drivers out of service	59	55	55	55
Hazardous Waste transporter license	51	60	60	70
Hazardous Waste transporter vehicles	784	2200	3700	4000

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 1,553	\$ 1,569	\$ 1,575	\$ 1,590

EXPLANATION OF BUDGET REQUEST:

No CHANGE requests.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PROGRAM MANAGEMENT
BUDGET ACTIVITY : MOTOR CARRIER ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,091	1,538	1,529	0	1,529	1,529	1,529	0	1,529	1,529
EXPENSES/CONTRACTUAL SRVCS	29	55	59	0	59	59	59	0	59	59
MISC OPERATING EXPENSES	57	89	89	0	89	89	89	0	89	89
SUPPLIES/MATERIALS/PARTS	26	28	28	0	28	28	28	0	28	28
REDISTRIBUTIONS	4	34	34	0	34	34	34	0	34	34
TOTAL EXPENDITURES	1,207	1,744	1,739	0	1,739	1,739	1,739	0	1,739	1,739
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	948	1,187	1,212	0	1,212	1,212	1,212	0	1,212	1,212
STATUTORY APPROPRIATIONS:										
FEDERAL	259	557	527	0	527	527	527	0	527	527
TOTAL FINANCING	1,207	1,744	1,739	0	1,739	1,739	1,739	0	1,739	1,739
POSITIONS BY FUND:										
TRUNK HIGHWAY	30.0	30.0	30.0	0.0	30.0	30.0	30.0	0.0	30.0	30.0
FEDERAL	13.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0
TOTAL POSITIONS	43.0	43.0	43.0	0.0	43.0	43.0	43.0	0.0	43.0	43.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PROGRAM MANAGEMENT
BUDGET ACTIVITY : RAILROADS & WATERWAYS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	870	918	936	0	936	936	936	0	936	936
EXPENSES/CONTRACTUAL SRVCS	33	74	75	0	75	75	75	0	75	75
MISC OPERATING EXPENSES	40	52	52	0	52	52	52	0	52	52
SUPPLIES/MATERIALS/PARTS	8	6	6	0	6	6	6	0	6	6
CAPITAL EQUIPMENT	39	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	0	6	6	0	6	6	6	0	6	6
TOTAL EXPENDITURES	990	1,056	1,075	0	1,075	1,075	1,075	0	1,075	1,075
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	238	245	249	0	249	249	249	0	249	249
TRUNK HIGHWAY	682	711	725	0	725	725	725	0	725	725
STATUTORY APPROPRIATIONS:										
FEDERAL	70	100	101	0	101	101	101	0	101	101
TOTAL FINANCING	990	1,056	1,075	0	1,075	1,075	1,075	0	1,075	1,075
POSITIONS BY FUND:										
GENERAL	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
TRUNK HIGHWAY	16.0	16.0	16.0	0.0	16.0	16.0	16.0	0.0	16.0	16.0
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	22.0	22.0	22.0	0.0	22.0	22.0	22.0	0.0	22.0	22.0

ACTIVITY: TRANSIT ADMINISTRATION 1990-91 Biennial Budget
Program: PROGRAM MANAGEMENT
Agency: TRANSPORTATION, DEPARTMENT OF

PURPOSE:

1. Ensure that the public benefits from efficient and productive transit service investments.
2. Assist recipient transit programs in the improvement of service performance.
3. Provide opportunity for local rideshare programs statewide.
4. Manage and administer those transit activities described in the Greater Minnesota transit assistance activity.
5. Allocate state funds for LRT development in the Metro Area.
6. Maximize the federal dollar investment in Minnesota's transit systems and ensure recipient compliance with federal regulations.
7. Identify opportunities for coordination and cooperation among transit providers (public, private, etc.) in Greater Minnesota.

DESCRIPTION:

The transit administration activity exists to manage a statewide public transit assistance program. This activity includes: 1) developing and maintaining a comprehensive transit program plan; 2) approving applications for transit assistance funds; 3) negotiating and executing transit contracts; 4) coordinating federal, state, and local transit program funds; 5) providing technical/professional management assistance to recipients of program funds; 6) monitoring and evaluating transit systems costs, and service delivery performance; 7) approving and initiating contract payments to transit contractors; 8) evaluating overall program performance; and 9) 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).

Office of Transit staff are responsible for administering the state's \$9+ million share of a \$17+ million annual transit program serving 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 are directed towards a statewide marketing assistance program. 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:

- 43 contracts completed for Transit Service in C.Y. 88.
- Implemented a capital investment strategy for vehicle rehabilitation/replacement.
- Monitored 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.
- Completed the annual Minnesota Transit Report.
- Established a private sector initiatives effort to increase participation of private providers in delivery of transit service.
- Initiated a statewide transit inventory and coordination effort.

GRANTS AND AIDS:

UMTA - Section 8 Program Grants Statutory Reference: 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.

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total operating costs	\$ 14,858	\$ 15,344	\$ 15,957	\$ 16,596
Total revenues	5,055	5,321	5,534	5,699
Passengers carried	8,486	8,928	9,107	9,289

GRANTS BY FUND:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 90	\$ 80	\$ 80	\$ 80

Metro Rideshare

Statutory Reference: M.S. 4.07. This program provides federal aid primary (FAP) funding to the Regional Transit Board for carpool and vanpool activities in the 7 county metropolitan area.

GRANTS BY FUND:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 210	\$ 375	\$ 375	\$ 375

GRANTS BY FUND - SUMMARY

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 300	\$ 455	\$ 455	\$ 455

REVENUE:

None

EXPLANATION OF BUDGET REQUEST:

No CHANGE requests.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PROGRAM MANAGEMENT
BUDGET ACTIVITY : TRANSIT ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	582	684	694	0	694	694	694	0	694	694
EXPENSES/CONTRACTUAL SRVCS	180	182	185	0	185	185	185	0	185	185
MISC OPERATING EXPENSES	46	67	67	0	67	67	67	0	67	67
SUPPLIES/MATERIALS/PARTS	5	18	18	0	18	18	18	0	18	18
CAPITAL EQUIPMENT	1	4	4	0	4	4	4	0	4	4
REDISTRIBUTIONS	1	9	9	0	9	9	9	0	9	9
STATE OPERATIONS	815	964	977	0	977	977	977	0	977	977
LOCAL ASSISTANCE	300	455	455	0	455	455	455	0	455	455
TOTAL EXPENDITURES	1,115	1,419	1,432	0	1,432	1,432	1,432	0	1,432	1,432
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	354	378	384	0	384	384	384	0	384	384
TRUNK HIGHWAY	206	221	225	0	225	225	225	0	225	225
STATUTORY APPROPRIATIONS:										
FEDERAL	555	820	823	0	823	823	823	0	823	823
TOTAL FINANCING	1,115	1,419	1,432	0	1,432	1,432	1,432	0	1,432	1,432
POSITIONS BY FUND:										
GENERAL	8.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0
TRUNK HIGHWAY	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
FEDERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	15.0	15.0	15.0	0.0	15.0	15.0	15.0	0.0	15.0	15.0

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

1990-91 Biennial Budget

PURPOSE:

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, safety seminars and the aerospace film library.
5. Provide additional weather information to pilots.
6. Perform backup pilot duty for air transportation services.
7. Provide assistance to municipalities for maintaining existing or gaining improved scheduled air service.
8. Provide administrative support services for the Office of Aeronautics.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Airports inspected				
Public	31	131	140	140
Private	14	8	9	9
Pilot safety seminars/participants	6/1,190	16/2,000	24/3,000	32/4,000
Aerospace teacher programs/participants	4/58	4/100	10/300	18/540
Computer weather terminals				
Number of inquiries	141,000	150,000	175,000	200,000
Number of products provided	1,000,000	1,050,000	1,225,000	1,400,000
Number of weather observations	26,000	32,000	125,000	210,000
Scheduled air service issues responded to	7	8	10	10

DESCRIPTION:

The aeronautics administration 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) performing pilot duty to assist with staffing the air transportation services program; 7) interviewing in behalf of and/or participating with Minnesota cities in federal air service proceedings; and 8) providing for the budgeting, accounting, personnel records and office management support services for the entire office.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Aircraft registered	6,024	6,050	6,075	6,100
Aircraft registration fees collected (000's)	\$1,693	\$1,700	\$1,764	\$ 1,800
Public airports licensed	153	153	154	154
Private and personal use airports licensed	149	152	154	154
Airport licenses denied	3	3	3	3
Commercial operations licenses issued/revoked/denied	390/1/3	395/1/3	395/1/3	395/1/3

GRANTS AND AIDS:

1. Aviation Regulation

Statutory Reference: L.87, Chapter 358, Section 2, Subd. 8(a). Purpose: Grants to cities for weather observation reports used by Mn/DOT Aeronautics Office.

GRANTS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
State Airports Fund	\$ 43	\$ 44	\$ 44	\$ 44

REVENUE:

This activity generates non-dedicated and dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>	<u>Estimated F.Y. 1990</u>	<u>Estimated F.Y. 1991</u>
Non-dedicated revenue	\$ 17	\$ 17	\$ 17	\$ 17
Dedicated-Federal	23	51	56	56

EXPLANATION OF BUDGET REQUEST:

No CHANGE requests.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PROGRAM MANAGEMENT
BUDGET ACTIVITY : AERONAUTICS ADMINISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,433	1,592	1,603	29	1,632	1,632	1,603	29	1,632	1,632
EXPENSES/CONTRACTUAL SRVCS	819	892	911	190	1,101	1,101	913	280	1,193	1,193
MISC OPERATING EXPENSES	64	67	67	25	92	92	67	40	107	107
SUPPLIES/MATERIALS/PARTS	91	54	54	32	86	86	54	532	586	586
CAPITAL EQUIPMENT	35	22	22	522	544	544	22	25	47	47
STATE OPERATIONS	2,442	2,627	2,657	798	3,455	3,455	2,659	906	3,565	3,565
LOCAL ASSISTANCE	43	44	44	0	44	44	44	0	44	44
TOTAL EXPENDITURES	2,485	2,671	2,701	798	3,499	3,499	2,703	906	3,609	3,609
CHANGE REQUESTS: FUND										
A AVIATION SUPPLIES, SERVICES AND SUPPORT AIR				798		798		906		906
TOTAL CHANGE REQUESTS				798		798		906		906
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
STATE AIRPORTS	2,464	2,608	2,645	798	3,443	3,443	2,647	906	3,553	3,553
STATUTORY APPROPRIATIONS:										
FEDERAL	21	63	56	0	56	56	56	0	56	56
TOTAL FINANCING	2,485	2,671	2,701	798	3,499	3,499	2,703	906	3,609	3,609
POSITIONS BY FUND:										
STATE AIRPORTS	34.0	34.0	34.0	1.0	35.0	35.0	34.0	1.0	35.0	35.0
TOTAL POSITIONS	34.0	34.0	34.0	1.0	35.0	35.0	34.0	1.0	35.0	35.0

ACTIVITY: TRANSPORTATION DATA ANALYSIS
Program: PROGRAM MANAGEMENT
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average turnaround time for forecasts (months)	3	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 inventory, 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
- biweekly updates of the status of congressional legislation for department staff

4. Provides budgeting, accounting, personnel and data processing coordination 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 totaling about \$8,000,000.

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 Reference: 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.

<u>GRANTS AND AIDS:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal		\$ 2	\$ 2	\$ 2

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Information System Inquiries per Month	1500	1600	1600	1600
Project Forecasts Made	35	35	35	35

REVENUE:

None

EXPLANATION OF CHANGE REQUEST:

One CHANGE request for transportation studies is made for \$838,000 and 6.0 positions in F.Y. 1990, and \$129,000 and 6.0 positions in F.Y. 1991.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : PROGRAM MANAGEMENT
BUDGET ACTIVITY : TRANS DATA ANALYSIS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,307	2,853	2,502	58	2,560	2,560	2,502	29	2,531	2,531
EXPENSES/CONTRACTUAL SRVCS	503	733	537	780	1,317	1,317	537	100	637	637
MISC OPERATING EXPENSES	130	113	113	0	113	113	113	0	113	113
SUPPLIES/MATERIALS/PARTS	115	48	48	0	48	48	48	0	48	48
CAPITAL EQUIPMENT	76	31	31	0	31	31	31	0	31	31
STATE OPERATIONS	3,131	3,778	3,231	838	4,069	4,069	3,231	129	3,360	3,360
LOCAL ASSISTANCE	0	2	2	0	2	2	2	0	2	2
TOTAL EXPENDITURES	3,131	3,780	3,233	838	4,071	4,071	3,233	129	3,362	3,362
CHANGE REQUESTS:	FUND									
B TRANSPORTATION STUDIES	TH									
				838		838		129		129
TOTAL CHANGE REQUESTS				838		838		129		129
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	2,844	2,965	3,032	838	3,870	3,870	3,032	129	3,161	3,161
STATUTORY APPROPRIATIONS:										
TRUNK HIGHWAY	287	815	201	0	201	201	201	0	201	201
TOTAL FINANCING	3,131	3,780	3,233	838	4,071	4,071	3,233	129	3,362	3,362
POSITIONS BY FUND:										
TRUNK HIGHWAY	59.0	59.0	59.0	6.0	65.0	65.0	59.0	6.0	65.0	65.0
TOTAL POSITIONS	59.0	59.0	59.0	6.0	65.0	65.0	59.0	6.0	65.0	65.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: TRANSPORTATION STUDIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 838	6.0	\$ 129	6.0
Governor's Recommendation				
Trunk Highway Fund	\$ 838	6.0	\$ 129	6.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to restore and maintain the key information resources needed to design and manage the metro and statewide road systems. The metro forecast model is the basis for Mn/DOT, Metro Council, and private consultant traffic estimates used in the design of billions of dollars worth of highway construction over its 10 year life. The Transportation Information System is the only statewide inventory of highway mileage, accident history road condition and traffic, and is used heavily by all divisions of Mn/DOT, by the Department of Public Safety, and by other government and private agencies.

DESCRIPTION/BACKGROUND:

The metro travel model is a complex set of computer travel simulation programs and an extensive set of travel and socio-economic data. Assignments to highway and transit networks from this model are used jointly by Mn/DOT, the Metropolitan Council, and private consultants for the planning and design of every major transportation improvement in the Twin Cities area. They are also used to develop and test policy alternatives for various highway and transit proposals.

This model was developed in 1954 and has undergone substantial revisions and updates. Major updates have been timed to coincide with census data to reduce costs and assure its validity. It is critical that this data again be updated to coincide with the census to accurately reflect the dramatic social and economic changes that have occurred in the last decade. These changes have brought the validity of the model and its forecasts into serious questions. The accuracy of the model must be restored. A matching amount of \$750,000 by the Metropolitan Council is needed to fully fund the metropolitan travel behavior inventory.

The Transportation Information System is an extensive computer data base which has evolved over the last 10 years. Its basic purpose was to integrate road traffic, and accident data from Mn/DOT and the Department of Public

Safety to meet statistical accident reporting needs and traffic engineering analysis needs. The original development occurred over a long period of time during which a large number of non-complement people used in the development gradually transitioned to a few number of ongoing people needed for maintenance of the tremendous volume of data it contains.

This ongoing need for maintenance has now stabilized and the positions need to be converted to permanent positions. A corresponding decrease will occur in non-complement dollars with this change.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 2,844	\$ 2,965	\$ 3,032	\$ 3,032
Positions	59.0	59.0	59.0	59.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 29	\$ 29	\$ 58
Positions	6.0	6.0	6.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: GENERAL SUPPORT SERVICES
Agency: TRANSPORTATION, DEPARTMENT OF

1990-91 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 6 budget activities: general administration, general services, buildings, equipment, legal services and air transportation services.

1. General 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. The executive decision making and audit functions are provided through the Office of the Commissioner. Data processing development funds, utilized for programming and testing for systems design under contractual arrangements, are also included.
3. Building upkeep and repair to provide adequate working space and accommodations to Mn/DOT personnel.
4. The equipment activity meets employee needs for road, scientific, electronic communication, office, data processing, and shop equipment to enable them to perform their work efficiently and meet appropriate quality standards.
5. Legal services are provided by the Office of the Attorney General, with the budget appropriated through Mn/DOT budget.
6. Air transportation services in Mn/DOT owned aircraft for department employees, state officials and other state agencies on state business.

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 participates in 3 agency wide CHANGES:

- o \$37,000 and 1.0 position in F.Y. 1990 and \$37,000 and 1.0 position in F.Y. 1991 for the coordination and maintenance of the Injury Analysis System (IAS).
- o \$470,000 in F.Y. 1990 and \$711,000 in F.Y. 1991 for scientific equipment to support the Cold Regions Test Facility.
- o \$23,000 in F.Y. 1990 and \$3,000 in F.Y. 1991 for office equipment and telephone services for Aeronautics.

In the general administration activity there is 1 CHANGE request: \$115,000 and 3.0 positions in F.Y. 1990 and \$115,000 and 3.0 positions in F.Y. 1991 for federal single audit responsibility and an increasing work load in the Audit Office.

In the general services activity there are 2 CHANGE items:

- o \$213,000 in F.Y. 1990 and \$214,000 in F.Y. 1991 for varied expenses involved with the remodeling of the Mn/DOT building.
- o \$531,000 in F.Y. 1990 and \$269,000 in F.Y. 1991 for planning in the area of Mn/DOT's recovery in case of natural or other disasters.

In the equipment activity there are 2 CHANGE items:

- o \$5,215,000 in F.Y. 1990 and \$5,215,000 in F.Y. 1991 for new and replacement road equipment.
- o \$1,245,000 in F.Y. 1990 and \$(131,000) in F.Y. 1991 for scientific equipment.

In the air transportation services activity there is 1 CHANGE request for \$12,000 each year to fund additional part time costs.

There is 1 CHANGE request which is program wide: \$3,766,000 and 2.0 positions in F.Y. 1990 and \$97,000 and 2.0 positions in F.Y. 1991 in support of Mn/DOT's EDP and other automated services.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for the following: A biennial reduction of \$427,000 for building remodeling and a biennial reduction of \$600,000 for disaster recovery.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : GENERAL SUPPORT SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL ADMINISTRATION	11,447	11,401	12,196	426	12,622	12,622	12,218	426	12,644	12,644
A HEALTH AND SAFETY TH				37		37		37		37
A PROGRAM DELIVERY TH				29		29		29		29
P DATA PROCESSING & EQUIPMENT TH				245		245		245		245
B AUDIT REQUIREMENT INCREASE TH				115		115		115		115
GENERAL SERVICES	8,160	9,827	8,019	2,318	10,337	9,693	8,210	1,351	9,561	9,178
A AVIATION SUPPLIES, SERVICES AND SUPPORT AIR				3		3		3		3
P DATA PROCESSING & EQUIPMENT AIR				45		45		34		34
P DATA PROCESSING & EQUIPMENT TH				1,526		1,526		831		831
B BUILDING REMODEL TH				213		0		214		0
B DISASTER RECOVERY TH				531		100		269		100
EQUIPMENT	12,355	9,496	10,263	8,900	19,163	19,163	10,087	4,782	14,869	14,869
A COLD REGIONS TEST FACILITIES TH				470		470		711		711
A AVIATION SUPPLIES, SERVICES AND SUPPORT AIR				20		20		0		0
P DATA PROCESSING & EQUIPMENT AIR				<11>		<11>		<12>		<12>
P DATA PROCESSING & EQUIPMENT TH				1,961		1,961		<1,001>		<1,001>
B SCIENTIFIC EQUIPMENT TH				1,245		1,245		<131>		<131>
B ROAD EQUIPMENT TH				5,215		5,215		5,215		5,215
LEGAL SERVICES	1,096	988	1,166	0	1,166	1,166	1,166	0	1,166	1,166
AIR TRANSPORTATION SVCS	600	814	665	12	677	677	850	12	862	862
B AIR TRANSPORTATION SUPPORT AIR				12		12		12		12
TOTAL EXPENDITURES	33,658	32,526	32,309	11,656	43,965	43,321	32,531	6,571	39,102	38,719
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	44	47	47	0	47	47	47	0	47	47

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : GENERAL SUPPORT SERVICES

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
STATE AIRPORTS	226	167	185	69	254	254	185	37	222	222
TRUNK HIGHWAY	30,258	29,097	28,594	11,587	40,181	39,537	28,631	6,534	35,165	34,782
HGHMY USER TAX DISTR	0	65	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
STATE AIRPORTS	616	823	669	0	669	669	854	0	854	854
TRUNK HIGHWAY	2,177	2,027	2,477	0	2,477	2,477	2,477	0	2,477	2,477
HGHMY USER TAX DISTR	337	300	337	0	337	337	337	0	337	337
TOTAL FINANCING	33,658	32,526	32,309	11,656	43,965	43,321	32,531	6,571	39,102	38,719
POSITIONS BY FUND:										
STATE AIRPORTS	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
TRUNK HIGHWAY	258.0	258.0	258.0	7.0	265.0	265.0	258.0	7.0	265.0	265.0
TOTAL POSITIONS	264.0	264.0	264.0	7.0	271.0	271.0	264.0	7.0	271.0	271.0

CHANGE REQUEST 1990-91 Biennial Budget

Agency X Program _____ Activity _____

ACTIVITY:

PROGRAM: GENERAL SUPPORT SERVICES
 AGENCY: TRANSPORTATION, DEPARTMENT OF

REQUEST TITLE: DATA PROCESSING DEVELOPMENT AND EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
	Amount	Positions	Amount	Positions
State Airports Fund	\$ 34	-0-	\$ 22	-0-
Trunk Highway Fund	3,732	2.0	75	2.0
Governor's Recommendation				
State Airports Fund	\$ 34	-0-	\$ 22	-0-
Trunk Highway Fund	3,732	2.0	75	2.0

Request requires statutory change: _____ Yes X 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. This data processing request serves as part of Mn/DOT's overall program for management of automation costs. Separate activity budget requests address Mn/DOT's automation operations costs, contract maintenance costs, and lease costs. 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. Additional major objectives are to continue to search for ways to use available and emerging technology to support Mn/DOT's programs, and to continue to improve the support staffing for the agency's growing number of users of this technology.

DESCRIPTION/BACKGROUND:

Currently, data processing technology provides new opportunities for automation and for improving decision making. 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.

The major portion of this request is for funds to continue initiatives begun in previous bienniums in 6 major areas of computer technology: construction plan development, management systems, office support, networking, information management, and mapping. In addition funds are requested for technology optimization, computer maintenance, and data processing training, which are necessary for support of the functions mentioned above. Also 2.0 new posi-

tions and associated funds are requested, one to provide additional support to the growing number of users of data processing technology, as part of the agency's systems services unit, and the other to provide additional support to the professional management of the agency's networking technologies.

The CHANGE request is broken down into the following categories:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Staffing	\$ 70	\$ 70
Training	175	175
Equipment	1,950	(1,013)
Development by Program		
Technical Support	517	35
Program Management	262	198
General Support Services	792	632
Total	\$ 3,766	\$ 97

RATIONALE:

Mn/DOT's efforts in data processing have been focused in the 9 topic areas described in the preceding section. In addition, some initiatives are proposed that support more than one of the above items. Detail of each of the topic areas follows.

Construction plan development support is the use of automation for improving work processes associated with all phases of producing construction plans, from preliminary design to final construction plans. Funds requested would further the automation of this entire process and continue development efforts to integrate drafting and design.

Management systems provide decision support information for all levels of managers. Funds are requested to upgrade and enhance existing systems.

Office support systems funding is requested to provide high quality, integrated office support systems in all offices through expanding present technologies to increase employee productivity.

Computer maintenance funds are requested to enhance the agency's in-house maintenance of microcomputers and peripheral equipment.

Technology optimization is a process of managing the use of existing data processing tools, including replacement of equipment which has become functionally obsolete. Funds are requested for replacing some of the agency's oldest equipment that has become counterproductive for agency's staff to use.

Networking permits the sharing of data, equipment, and resources among a variety of users. Funds are requested to expand networks available in district office locations and in the central office, and for improving the speed of communications between the central headquarters and district office locations.

Information management includes processes through which data are defined, collected, encoded, stored, manipulated, and made accessible. Funds are requested for the development of additional data base oriented systems and for resources for support staff who provide leadership and guidance to users in various offices.

CHANGE REQUEST Agency X Program Activity 1990-91 Biennial Budget
 (Continuation)

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

Mapping involves generating graphical representations of data. Funding is requested to integrate data presently in the Transportation Information System with the county mapping and street series mapping done in the agency.

Data processing training is the process of providing staff with skills and knowledge to effectively utilize various data processing tools. Funds are requested to permit expansion of the agency's capability for training due to its increasing number of users and the increasing variety of data processing tools for which training is needed.

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 continued exploration of uses of new and emerging technology in ways that will benefit Mn/DOT in future bienniums and to facilitate strategic information systems planning and the development of an information architecture.

	(Dollars in Thousands)			
<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Trunk Highway Fund	\$ 4,869	\$ 4,908	\$ 5,038	\$ 5,038
Positions	28.0	29.0	29.0	29.0
State Airports Fund	<u>222</u>	<u>183</u>	<u>159</u>	<u>159</u>
Total	\$ 5,091	\$ 5,091	\$ 5,197	\$ 5,197
Total Positions	28.0	29.0	29.0	29.0

	(Dollars in Thousands)		
<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
Trunk Highway Fund	\$ 1,904	\$ 1,904	\$ 3,808
Positions	2.0	2.0	2.0
State Airports Fund	<u>22</u>	<u>22</u>	<u>44</u>
Total	\$ 1,926	\$ 1,926	\$ 3,852
Total Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PURPOSE:

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, management, accounting, and financial and management studies.
2. Personnel placement and labor relations.
3. Purchasing, inventory management, printing and word processing, and space management.
4. Computer systems development and management.
5. Employee development, internal communications media, and information services.
6. Office of Commissioner & audit.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percentage of invoices paid within 30 days	98	99	99	99

DESCRIPTION:

The general 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.

Management analysis services enhance the ability of Mn/DOT managers to make informed decisions regarding the application of resources by providing managerial information and tools, identifying opportunities, recommending innovative solutions and facilitating change.

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; liaison with the Department of Employee Relations; and consultation and support involving management planning, organization design and activity analysis, employee participative involvement techniques.

3. Support services include: a) administrative services for department activities statewide through mail and supplies distribution, photo

services, purchasing, graphics, records management and storage of consumable and fixed asset inventory; for the central office typewriter, 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. The Employee Development Section provides management/supervisory training and development such as Frontline Leadership training, Towards Excellence training, core management classes, individual development training for all employees, facilitation services for the department, technical training for all employees, data processing training for all employees, needs assessments for training, cost benefit analysis of training, training evaluation, and the annual Transportation Conference. The Employee Development Section also manages the Mn/DOT Training Center which provides training classes and lodging for training classes and administers the graduate engineer rotation program.

The Communications and Media Services Section provides: a) video productions, consultation and duplication, b) slide-tape and audio production and consultation, c) display design and consultation, d) typesetting, illustration, forms design and document publication, e) media relations and news releases, f) communication and information publications, g) specialized information services such as newspaper clipping, interlibrary loans, issues scanning, identification and tracking of technical and managerial issues.

6. The Office of the Commissioner assumes ultimate responsibility for the development, implementation, administration, consolidation and coordination of state transportation policies, plans and programs. Two major functions of the office are external representation of the department and the public on Mn/DOT funding and state transportation issues, and internal direction and management of the overall department. Audit conducts audits of Mn/DOT business in accordance with generally accepted government auditing standards. Internal Audit reviews Mn/DOT operations to provide management with information on whether financial and compliance requirements are being met.

ACTIVITY: GENERAL ADMINISTRATION 1990-91 Biennial Budget
 (Continuation)
 Program: GENERAL SUPPORT SERVICES
 Agency: TRANSPORTATION, DEPARTMENT OF

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of photo lab work orders	3,508	3,550	3,600	3,650
Number of Time Sharing Option (TSO) users	800	860	860	860
Staff trained in PROFS	350	850	1,025	1,200
Staff trained in word processing	N/A	375	550	700
Average number of documents per week (word processing)	1,254	1,282	1,307	1,333

REVENUE: None

EXPLANATION OF BUDGET REQUEST:

One CHANGE request is specific to this activity. The request is for \$115,000 and 3.0 positions each fiscal year to meet increased audit requirements.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : GENERAL SUPPORT SERVICES
BUDGET ACTIVITY : GENERAL ADMINISTRATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	9,485	9,825	10,105	244	10,349	10,349	10,115	244	10,359	10,359
EXPENSES/CONTRACTUAL SRVCS	1,312	1,065	1,562	0	1,562	1,562	1,574	0	1,574	1,574
MISC OPERATING EXPENSES	312	320	320	181	501	501	320	181	501	501
SUPPLIES/MATERIALS/PARTS	337	191	209	1	210	210	209	1	210	210
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	11,447	11,401	12,196	426	12,622	12,622	12,218	426	12,644	12,644
CHANGE REQUESTS: FUND										
A HEALTH AND SAFETY	TH			37		37		37		37
A PROGRAM DELIVERY	TH			29		29		29		29
P DATA PROCESSING & EQUIPMENT	TH			245		245		245		245
B AUDIT REQUIREMENT INCREASE	TH			115		115		115		115
TOTAL CHANGE REQUESTS				426		426		426		426
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	11,447	11,401	12,196	426	12,622	12,622	12,218	426	12,644	12,644
TOTAL FINANCING	11,447	11,401	12,196	426	12,622	12,622	12,218	426	12,644	12,644
POSITIONS BY FUND:										
TRUNK HIGHWAY	258.0	258.0	258.0	7.0	265.0	265.0	258.0	7.0	265.0	265.0
TOTAL POSITIONS	258.0	258.0	258.0	7.0	265.0	265.0	258.0	7.0	265.0	265.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: AUDIT REQUIREMENT INCREASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 115	3.0	\$ 115	3.0
Governor's Recommendation				
Trunk Highway Fund	\$ 115	3.0	\$ 115	3.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests 3.0 positions to fulfill its responsibilities related to audit requirements associated with the receipt, pass through or utilization of federal funds. A state agency's agreement to accept federal aid incorporates a commitment to properly monitor the expenditure of those funds by the agency itself, its contractors, or subrecipients. The objective of this request is to provide adequate staff within Mn/DOT to properly carry out that commitment.

DESCRIPTION/BACKGROUND:

Two areas of additional audit support needs have surfaced recently. The first is Mn/DOT's responsibilities under the Federal Single Audit Act.

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.

Mn/DOT currently has 1.0 staff person assigned to this responsibility, but this level of staffing is inadequate to properly address this area. A recent Legislative Audit Report found Mn/DOT deficient in this area and correction

is necessary. We are being pressured by the Federal Highway Administration, our primary federal grantor agency, to correct this deficiency.

Failure to adequately address this deficiency 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. One position is requested for this purpose.

The second area of additional audit coverage need is in Mn/DOT's contracting activities. Contract activity has increased significantly in recent years due to increases in the size of highway construction programs and associated delivery and support functions. Many more millions of dollars worth of work has been contracted for by Mn/DOT in the areas of highway construction and construction design. Each of these contracts requires some level of audit review to provide basic assurance that public money is properly spent. The workload increase has caused a backlog of audits which threaten to delay timely award of contracts. Two positions are requested to handle this additional workload.

RATIONALE:

Because of these additional responsibilities, new personnel are necessary to meet our audit and audit follow-up commitments. Reassignment of existing positions has taken place to the extent that that is possible without creating other critical personnel shortages. Additional personnel resources must be added to meet this need.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 508	\$ 558	\$ 563	\$ 563
Positions	15.0	16.0	16.0	16.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 115	\$ 115	\$ 230
Positions	3.0	3.0	3.0

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

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

1990-91 Biennial Budget

PURPOSE:

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.

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-Intertech 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; and
7. Perform other administrative services for department management.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Leases maintained	5	5	5	5
Square footage leased	51,100	57,000	57,000	57,000
Office supply orders/items provided within 48 hours	28,100	28,600	29,100	29,600
Employees accommodated by moves	225	250	550	750

REVENUE:

None

EXPLANATION OF BUDGET REQUEST:

There are 2 CHANGE requests specific to the activity. One is related to building remodeling and is for \$213,000 in F.Y. 1990 and \$214,000 in F.Y. 1991. The second is for a plan to recover from a potential disaster for \$531,000 in F.Y. 1990 and \$269,000 in F.Y. 1991.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : GENERAL SUPPORT SERVICES
BUDGET ACTIVITY : GENERAL SERVICES

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	13	2,117	0	182	182	0	0	183	183	0
EXPENSES/CONTRACTUAL SRVCS	3,150	3,525	2,763	1,973	4,736	4,334	2,825	990	3,815	3,690
MISC OPERATING EXPENSES	1,668	1,635	2,073	3	2,076	2,076	2,192	3	2,195	2,195
SUPPLIES/MATERIALS/PARTS	703	473	623	160	783	723	633	175	808	733
CAPITAL EQUIPMENT	66	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	2,560	2,077	2,560	0	2,560	2,560	2,560	0	2,560	2,560
TOTAL EXPENDITURES	8,160	9,827	8,019	2,318	10,337	9,693	8,210	1,351	9,561	9,178
CHANGE REQUESTS:										
A AVIATION SUPPLIES, SERVICES AND SUPPORT	AIR			3		3		3		3
P DATA PROCESSING & EQUIPMENT	AIR			45		45		34		34
P DATA PROCESSING & EQUIPMENT	TH			1,526		1,526		831		831
B BUILDING REMODEL	TH			213		0		214		0
B DISASTER RECOVERY	TH			531		100		269		100
TOTAL CHANGE REQUESTS				2,318		1,674		1,351		968
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	39	42	42	0	42	42	42	0	42	42
STATE AIRPORTS	78	106	83	48	131	131	83	37	120	120
TRUNK HIGHWAY	5,483	7,537	5,334	2,270	7,604	6,960	5,525	1,314	6,839	6,456
HGHWY USER TAX DISTR	0	65	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
STATE AIRPORTS	46	50	46	0	46	46	46	0	46	46
TRUNK HIGHWAY	2,177	1,727	2,177	0	2,177	2,177	2,177	0	2,177	2,177
HGHWY USER TAX DISTR	337	300	337	0	337	337	337	0	337	337
TOTAL FINANCING	8,160	9,827	8,019	2,318	10,337	9,693	8,210	1,351	9,561	9,178

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: BUILDING REMODELING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 213	-0-	\$ 214	-0-

Governor's Recommendation

Trunk Highway Fund	\$ -0-	-0-	\$ -0-	-0-
--------------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount to provide drafting services, moving services, and electrician/carpenter services in support of remodeling activities in the Transportation Building.

DESCRIPTION/BACKGROUND:

Remodeling and life safety improvement activities (asbestos removal, installation of fire sprinkling systems, etc.) will begin in the Transportation Building in F.Y. 1990. To support these activities, many incidental services will be required. Asbestos removal cannot take place while the space is occupied. Much movement of people and equipment into and out of the Transportation Building will be required. Electrical and other mechanical and physical changes will have to be made on an ad hoc basis during remodeling and life safety improvements. To facilitate these activities, Mn/DOT will engage the services of movers, electricians, carpenters and architects as needed.

RATIONALE:

The Transportation Building is 30 years old and is badly in need of remodeling. Additionally, funds have been previously appropriated for asbestos removal and life safety improvements. All of this activity is expected to take place beginning in early F.Y. 1990, causing a need for the services described in this CHANGE request.

BASE:

None

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 213	\$ 214	\$ 427

GOVERNOR'S RECOMMENDATION:

Although the Governor supports this request, it is recommended that it be included in the department's capital budget request for the remodeling and renovation of the Transportation Building.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

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

REQUEST TITLE: DISASTER RECOVERY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 531	-0-	\$ 269	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ 100	-0-	\$ 100	-0-

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to implement a disaster recovery program. A disaster recovery program would provide the means of acquiring all systems, equipment, facilities and information required for the Department of Transportation (Mn/DOT) to resume full scale activities in the aftermath of a fire or other disaster which might destroy existing facilities.

DESCRIPTION/BACKGROUND:

Mn/DOT is a major employer and business enterprise in Minnesota. Many other businesses, governmental units, and individuals are impacted daily by the activities of Mn/DOT. Many would experience hardships if Mn/DOT operations were suspended for any significant length of time.

On Thanksgiving Day, 1982, a fire destroyed the main office of Northwestern National Bank in Minneapolis. By Monday, 4 days later, Northwestern National Bank was back in operation providing a full range of banking services for its customers. Northwestern National Bank had a disaster recovery program in place which allowed it to resume operations immediately after the Thanksgiving Day weekend.

At this time, Mn/DOT does not have such a program in place. It is unknown how long it would take Mn/DOT to resume normal business activities following a disaster.

A disaster recovery program identifies, inventories, and provides for all services, facilities, systems, and information needed for an enterprise to resume operations on short notice. Although not a conclusive list, the program would include the following:

- Identify vital data processing systems and provide for their backup.
- Identify how facilities (space, equipment, communications, etc.) may be acquired on short notice.
- Identify the means of obtaining resources to acquire facilities.

- Provide information to the public and clientele regarding status operations.
- Identify vital records and forms and provide for their off site storage.
- Provide information to employees whose workplace has been destroyed or disrupted.

RATIONALE:

Because Mn/DOT is such a large business enterprise, the impact of operations being curtailed due to disaster for even a short period of time would be significant. Vendors may not be paid, employees may not have a place to work or tools to work with, and information required to perform work may not be available. The cost of such inefficiency would be substantial for each day it persisted. A disaster recovery program would minimize the time required to restore normal operations.

BASE:

None

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 20	\$ 20	\$ 40

GOVERNOR'S RECOMMENDATION:

The Governor supports the concept of a disaster recovery program and recommends \$200,000 for the biennium for this purpose.

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:

PURPOSE:

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. More specifically, this objective includes:

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.
 - d. Standardize the fleet, thereby simplifying parts inventory, repair procedures and interchangeability.
2. Insure provision of scientific 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 power tool 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.

It is essential that equipment be both efficient and highly technical in order to deliver effective services to the public. The delivery of construction programs on a timely basis, for example, is dependent on the ability to use computers in the planning and design of the construction plans. Likewise, sophisticated testing equipment and readily available transportation is necessary for properly monitoring that specifications are being met during the construction process. This is particularly true if the program is increasing or there is pressure to expedite delivery of a program or the completion of a project.

In the same sense, highway maintenance personnel are dependent on high production, highly mobile and versatile equipment in order not only to operate efficiently but to produce work with a minimum disruption to traffic. Labor intensive activities have to be mechanized whenever possible to maximize the safety of the motorist and to minimize the increasing problem being experienced with the health and safety of our employees working in the maintenance work zone.

The effective use of personnel resources is dependent on the ability and manner in which the department equips them with road, scientific, communication and office equipment. Failure to do so would require additional personnel.

1. Road Equipment consisting of motorized propelled and non-propelled units, non motorized equipment and miscellaneous equipment used by field operations in both contract administration and maintenance,
2. Scientific Equipment consisting of laboratory, 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 mobile fleet, 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, desktop work stations, automated road design work stations, and data entry machines.

Purchases are justified when it is has been determined that it is more cost effective to purchase equipment in lieu of maintaining existing equipment or when it is necessary to introduce new, more productive types of equipment to offset increases in workloads or meet required standards.

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 the 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 utilizations?
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?
5. Obsolescence:
Is there a need to upgrade to match the current technology in order to increase productivity or reduce downtime due to unavailability of repair parts?

ACTIVITY: EQUIPMENT
 (Continuation) 1990-91 Biennial Budget
 Program: GENERAL SUPPORT SERVICES
 Agency: TRANSPORTATION, DEPARTMENT OF

REVENUE:

There are dedicated receipts in this activity.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u> <u>F.Y. 1988</u>	<u>Estimated</u> <u>F.Y. 1989</u>	<u>Estimated</u> <u>F.Y. 1990</u>	<u>Estimated</u> <u>F.Y. 1991</u>
Dedicated-Trunk Highway	\$ 427	\$ 300	\$ 300	\$ 300

EXPLANATION OF BUDGET REQUEST:

There are 2 activity specific CHANGE requests. One is for \$5,215,000 per year to reach an adequate road equipment replacement level. The second is for scientific equipment at \$1,245,000 in F.Y. 1990 and (\$131,000) in F.Y. 1991.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : GENERAL SUPPORT SERVICES
BUDGET ACTIVITY : EQUIPMENT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	101	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	2	0	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	215	0	0	0	0	0	0	0	0	0
CAPITAL EQUIPMENT	12,018	9,496	10,263	8,900	19,163	19,163	10,087	4,782	14,869	14,869
REAL PROPERTY	11	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	12,347	9,496	10,263	8,900	19,163	19,163	10,087	4,782	14,869	14,869
LOCAL ASSISTANCE	8	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	12,355	9,496	10,263	8,900	19,163	19,163	10,087	4,782	14,869	14,869
CHANGE REQUESTS:	FUND									
A COLD REGIONS TEST FACILITIES	TH			470		470		711		711
A AVIATION SUPPLIES, SERVICES AND SUPPORT	AIR			20		20		0		0
P DATA PROCESSING & EQUIPMENT	AIR			<11>		<11>		<12>		<12>
P DATA PROCESSING & EQUIPMENT	TH			1,961		1,961		<1,001>		<1,001>
B SCIENTIFIC EQUIPMENT	TH			1,245		1,245		<131>		<131>
B ROAD EQUIPMENT	TH			5,215		5,215		5,215		5,215
TOTAL CHANGE REQUESTS				8,900		8,900		4,782		4,782
SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:										
GENERAL	5	5	5	0	5	5	5	0	5	5
STATE AIRPORTS	118	20	60	9	69	69	60	<12>	48	48
TRUNK HIGHWAY	12,232	9,171	9,898	8,891	18,789	18,789	9,722	4,794	14,516	14,516
STATUTORY APPROPRIATIONS:										
TRUNK HIGHWAY	0	300	300	0	300	300	300	0	300	300
TOTAL FINANCING	12,355	9,496	10,263	8,900	19,163	19,163	10,087	4,782	14,869	14,869

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

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

REQUEST TITLE: SCIENTIFIC EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$1,245	-0-	\$(131)	-0-

Governor's Recommendation

Trunk Highway Fund	\$1,245	-0-	\$(131)	-0-
--------------------	---------	-----	---------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amount for the following areas:

- Replacement of aging materials testing equipment that is becoming increasingly difficult and expensive to repair.
- Acquisition of new technology for our survey activities including global positioning system receivers and total stations.
- Additional and replacement field test equipment needed to meet demands of our expanded program delivery.
- Safety and environmental monitoring equipment.

DESCRIPTION/RATIONALE FOR REQUEST:

The major emphasis in the scientific equipment area is on replacement of aging equipment and utilization of new technology. There is also a need for additional equipment due to the increase in our program. Much of the equipment is aging and becoming increasingly expensive to repair and maintain. Additionally, downtime is a problem as equipment ages. Significant periods of downtime have been experienced with the falling weight deflector, for example. The 20 M Universal test machine is over 30 years old and parts availability is a problem. A similar problem exists for the 400 M test machine.

New technology offers the opportunity to replace labor intensive systems with automation or to replace equipment that is simply obsolete. The request for global positioning system receivers and total stations are examples of new technology needed in our survey activity. A need also exists for replacement field test equipment as well as additional field test equipment required for our increased construction program. This request also includes funds to enhance our safety and environmental monitoring programs.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 753	\$ 693	\$ 693	\$ 693

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 557	\$ 557	\$1,114

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

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

REQUEST TITLE: ROAD EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$5,215	-0-	\$5,215	-0-
Governor's Recommendation				
Trunk Highway Fund	\$5,215	-0-	\$5,215	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

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

DESCRIPTION/BACKGROUND:

Mn/DOT owns and operates approximately 11,500 pieces of motorized and non-motorized road equipment. The estimated replacement cost at 1989 prices is approximately \$147,000,000. Table 1 shows the size and composition of Mn/DOT's fleet.

The agency has established replacement criteria based on economic life expectancy. Mn/DOT has not been able to maintain an adequate road equipment replacement or modernization program. There are 2 primary reasons for this:

1. Cost of equipment has increased due to inflation about 9.4% per year since 1974, as shown in Table 2.
2. Past funding priorities for this activity have led to annual increases of less than 2% per year during the same time period. Note (Table 3) that the funding level for the F.Y.1988-89 biennium was held at the same level as the previous biennium (F.Y.1986-87) and that actual purchasing power was further reduced by legislation which made all equipment purchases subject to the 6% sales tax.

The compounding effects of inflation and inadequate funding over the past 12-14 years have consequently caused the agency's fleet to rapidly age, way beyond the economic replacement life.

Not only do efficiency and productivity decrease with age, downtime and repair costs increase significantly. Table 4 shows the degree in which average annual repair costs increase with age of our major snowplow truck fleet. Attempts to obtain more than 12 years service from snowplow trucks by

recabbing them is costing \$18,000, or 50% of the replacement cost for a new truck.

A major portion of our fleet has been forced to be retained beyond its economic replacement cycle. In total, 42% of the units in the fleet will be eligible for replacement based on economic life prior to or during F.Y. 1990-91. Table 5 shows the number of units in some primary classes that would have to be replaced in F.Y. 1990 alone in order to catch up.

RATIONALE:

To totally catch up and replace on a one for one basis all units that have fallen behind and exceed the established economic replacement cycle would require \$41 million for the biennium or a change level of \$14 million per year. This still does not include funding for upgrades for new technology or funding for any additions for new initiatives.

Any attempt to correct in one biennium the results of several years of under-funding would be unreasonable. It is therefore proposed that corrective actions be initiated during this biennium knowing that it will take several bienniums to complete the task.

Therefore, this proposal recommends a CHANGE level of \$5.2 million for each year of the biennium. This level of funding will permit the following:

- Replacements through proportional attrition, i.e. replacing one-sixth of the vehicles per year in classes which have a 6 year economic replacement cycle, one-tenth of the vehicles per year in classes which have a 10 year economic replacement cycle, etc. Table 6 indicates the number of units in major classes that would be subject to replacement under this plan.
- Funding for all equipment needs for new initiatives or for upgrading units being replaced in terms of size, features and capabilities which exceed former specifications will be absorbed by reductions in fleet size, trading in 2 for 1 more frequent rental for low usage and short term needs, etc. This is deemed possible because of the enhanced ability to improve the management of the fleet through a computerized fleet management system that is presently being implemented and improved upon.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 6,478	\$ 6,336	\$ 6,224	\$ 6,224

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 5,215	\$ 5,215	\$10,430

CHANGE REQUEST _____ Agency _____ Program X Activity _____
 (Continuation)

1990-91 Biennial Budget

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

TABLE 1
 CURRENT FLEET SIZE AND COMPOSITION

Description	Present Number of Units	Estimated Replacement Costs at 1989 Prices
Passenger Cars & Station Wagons	424	4,170,400
Light Trucks, Pickups, Panels, etc.	1,176	12,663,440
Medium Trucks, Special, 1.5 to 3 ton	332	10,259,950
Single Axle Dump Truck	542	20,054,000
Tandem Axle Dump Truck	258	13,287,000
Heavy Trucks, 4-10 tons, Sno Go	44	5,523,200
Motor Grader	98	10,780,000
Tractors, Loaders, Shovels, Dozers	418	19,551,500
Snow & Ice Control Plows, Wings, Sanders	3,195	10,326,030
Power Brooms, Joint Cleaning & Sealing	350	5,639,650
Vegetation Control, Mowers, etc.	2,035	14,115,890
Bituminous Application Equipment	437	5,632,000
Material Handling, Soil & Core Testing	178	3,655,450
Traffic Marking & Signing Equipment	787	2,763,050
Concrete & Compressor Equipment	339	2,665,500
Compaction Equipment	135	2,136,300
Trailers	327	2,393,700
Miscellaneous Equipment	508	1,464,750
Total Units	11,523	
Total Replacement Cost		\$147,081,710

TABLE 2
 ROAD EQUIPMENT PURCHASE COST COMPARISONS
 1974 to Present

Class	Description	Cost 1974	Cost 1978	Cost 1982	Cost 1986	Cost 1988	Average Annual % Increase
13	Station Wagon	\$ 3,198	\$ 5,061	\$ 7,500	\$ 9,960	\$12,561	11.8%
15	Van, Econoline	4,125	5,697	9,200	13,400	15,020	11.2%
18	Pickup, Regular						
	1/2 ton	2,695	4,173	6,570	7,400	8,541	10.0%
19	6 Passenger Pickup	3,850	5,370	8,715	12,050	18,945	14.1%
33	Single Axle Dump	17,515	27,181	40,800	46,210	49,764	9.0%
35	Tandem Axle Dump	24,296	37,159	52,000	60,700	65,222	8.4%
62	Motor Grader	42,193		70,500	72,600		5.8%
76	FWD 4WD Loaders		32,670	44,900	45,100	73,918	8.5%
83	Single Stage Snow Blower	10,450	17,340	26,900	36,200		13.0%
90	Tailgate Sander	594	708		940	1,177	5.5%
98	Pickup Sweeper		39,612	55,800	67,400	76,320	6.2%
Overall Average							9.4%

Notes: All figures are prices after trade.
 1988 figures include sales tax cost.

TABLE 3
 ROAD EQUIPMENT BUDGETS
 1978-1989

BIENNIUM	78-79	80-81	82-83	84-85	86-87	88-89	Average
BUDGET (\$ million)	10.7	10.8	10.4	12.0	12.7	12.8	1.92%
After sales tax	10.6	10.8	10.4	12.0	12.7	12.3	1.53%

TABLE 4
 AVERAGE ANNUAL MAINTENANCE REPAIR COST
 July 1985-July 1988
 Snow Plow Trucks

MODEL YEAR	1986	1980	1978	1975/76
Single Axle	\$ 710	\$3,657	\$3,813	\$8,721
Tandem Axle	1,379	4,844	5,363	6,713

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

TABLE 5
Mn/DOT'S FLEET AGE STATUS

Description	Economic Replace Cycle (years)	Number Units in Fleet	Units Older than Criteria on 7/89	
			# Units	Percent
Passenger Cars, Sub & Compact	6	317	192	60.6%
Passenger Cars, Intermediate & Wagon	8	107	35	33.3%
Pickup Trucks, Regular 1/2 ton	8	783	294	37.5%
Pickup Trucks, Compact	7	78	61	78.2%
Six Passenger Pickup	8	125	66	52.8%
Single Axle Dump - Snow Plow	12	542	208	38.4%
Tandem Axle Dump - Snow Plow	12	258	93	36.0%
Patching Trailer, Heated Hopper	10	94	66	70.2%
Road Sweeper, Self Prop, Pickup	10	19	13	68.4%
Forklifts	15	20	15	75.0%
Centerline Stripers	20	10	5	50.0%
Tractor Mowers	20	320	68	21.2%

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

TABLE 6
APPROXIMATE NUMBERS OF UNITS PROPOSED TO REPLACE IN FY 90-91

Description	Economic Replace Cycle (years)	Number Units in Fleet	Approximate Unit Proposed to Replace in FY 90-91
Passenger Cars, Intermediate & Wagon	8	105	26
Pickup Trucks, Regular 1/2 ton	8	783	196
Pickup Trucks, Compact	7	78	22
Six Passenger Pickup	8	125	32
Single Axle Dump - Snow Plow	12	542	90
Tandem Axle Dump - Snow Plow	12	258	44
Patching Trailer, Heated Hopper	10	94	18
Road Sweeper, Self Prop, Pickup	10	19	4
Forklifts	15	20	3
Centerline Stripers	20	10	1
Tractor Mowers	20	320	32

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

1990-91 Biennial Budget

PURPOSE:

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 resulting 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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
New parcels in condemnation	257	300	300	300
Commissioner's awards filed,	169	200	200	200
Appeals to district court	45	45	50	50
Settlements	18	45	45	45
Jury verdicts	7	20	20	20
Damage case collection (\$000's)	\$ 800	\$ 800	\$ 800	\$ 800

REVENUE:

None

EXPLANATION OF BUDGET REQUEST:

No CHANGE requests.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : GENERAL SUPPORT SERVICES
BUDGET ACTIVITY : LEGAL SERVICES

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
EXPENSES/CONTRACTUAL SRVCS	1,076	988	1,166	0	1,166	1,166	1,166	0	1,166	1,166
MISC OPERATING EXPENSES	2	0	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	18	0	0	0	0	0	0	0	0	0

TOTAL EXPENDITURES	1,096	988	1,166	0	1,166	1,166	1,166	0	1,166	1,166

SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	1,096	988	1,166	0	1,166	1,166	1,166	0	1,166	1,166

TOTAL FINANCING	1,096	988	1,166	0	1,166	1,166	1,166	0	1,166	1,166

POSITIONS BY FUND:										

TOTAL POSITIONS										

ACTIVITY: AIR TRANSPORTATION SERVICES 1990-91 Biennial Budget
 Program: GENERAL SUPPORT SERVICES
 Agency: TRANSPORTATION, DEPARTMENT OF

EXPLANATION OF BUDGET REQUEST:

There is one CHANGE request for support of the air transportation services activity. It totals \$12,000 in each fiscal year.

PURPOSE:

To provide air travel services in order to:

1. Reduce the unproductive travel time of elected state officials and state employees.
2. Reduce the cost of air travel for the department and other state agencies.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Annual savings in travel time (passenger hours) (Mn/DOT A/C)	20,030	22,500	24,500	25,500
Annual savings in commercial ticket costs vs. normal coach fares (\$000's)	\$ 95	\$ 99	\$ 99	\$ 99

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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Trips flown - Total	593	645	690	725
By chartered aircraft	168	185	200	215
By department aircraft	425	460	490	510
Passengers flown (Mn/DOT A/C)	2,243	2,550	2,800	2,900
Average passenger load per trip				
Chartered aircraft	3.2	3.4	3.5	3.6
King Air (70 MN)	5.6	5.8	5.9	6.0
King Air (55 MN)	3.2	3.4	3.5	3.6
Trips cancelled due to weather	3	5	8	9
Commercial flights arranged	423	440	480	505

REVENUE:

This activity generates dedicated receipts.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimated F.Y. 1989</u>	<u>Estimated F.Y. 1990</u>	<u>Estimated F.Y. 1991</u>
Dedicated-State Airports	\$ 570	\$ 773	\$ 623	\$ 808

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSPORTATION,DPT OF
PROGRAM : GENERAL SUPPORT SERVICES
BUDGET ACTIVITY : AIR TRANSPORTATION SVCS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	221	379	284	12	296	296	284	12	296	296	
EXPENSES/CONTRACTUAL SRVCS	231	193	188	0	188	188	373	0	373	373	
MISC OPERATING EXPENSES	24	39	39	0	39	39	39	0	39	39	
SUPPLIES/MATERIALS/PARTS	95	129	80	0	80	80	80	0	80	80	
CAPITAL EQUIPMENT	29	74	74	0	74	74	74	0	74	74	
TOTAL EXPENDITURES	600	814	665	12	677	677	850	12	862	862	
CHANGE REQUESTS:											
	FUND										
B AIR TRANSPORTATION SUPPORT	AIR										
				12		12		12		12	
TOTAL CHANGE REQUESTS				12		12		12		12	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
STATE AIRPORTS	30	41	42	12	54	54	42	12	54	54	
STATUTORY APPROPRIATIONS:											
STATE AIRPORTS	570	773	623	0	623	623	808	0	808	808	
TOTAL FINANCING	600	814	665	12	677	677	850	12	862	862	
POSITIONS BY FUND:											
STATE AIRPORTS	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0	
TOTAL POSITIONS	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0	

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

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

REQUEST TITLE: AIR TRANSPORTATION SUPPORT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
State Airports Fund	\$ 12	-0-	\$ 12	-0-
Governor's Recommendation				
State Airports Fund (Direct Appropriation)	\$ 12	-0-	\$ 12	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above amounts to provide funds for additional salary to increase the hours of a part-time employee.

DESCRIPTION/BACKGROUND:

The agency operates 2 twin-engine aircraft which are used to reduce the un-productive travel time of elected state officials and staff members of state agencies. These aircraft are scheduled by a dispatcher who also arranges for travel on scheduled airlines when requested. Dispatching duties are handled by 1 full-time and 1 part-time employee. The workload has grown sufficiently that the hours of the part-time employee need to be increased.

RATIONALE:

Requests for air service have increased to the point that it is necessary to hire charter aircraft for the trips that cannot be handled by the agency's 2 twin-engine aircraft.

Due to the increase in requests for air transportation services, the dispatching activities have also increased. An increase of \$12,000 is requested each year to increase the hours of the part-time employee that assists with the dispatching work.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
State Airports Fund	\$ 30	\$ 41	\$ 42	\$ 42

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
State Airports Fund	\$ 12	\$ 12	\$ 24

AGL PURPOSE:

The mission of the Regional Transit Board (RTB) is to plan, prioritize, coordinate and administer a system of cost-effective transit services in the Twin Cities Metropolitan Area which are responsive to and meet the needs of area residents. The RTB was created by the legislature in 1984 to consolidate metropolitan transit planning, financing and the arranging of transit services. The RTB is responsible for short to mid-range transit planning, policy making, administration and facilitation of new and alternative transit services. The major functions and activities of the RTB, as specified in the enabling legislation, include:

- to prepare transit implementation plans;
- to prepare and present required transit budgets, financial plans and staffing plans;
- to execute and administer transit project contracts and to assume ride-share program responsibilities;
- to appoint members to the Metropolitan Transit Commission (MTC);
- to request, review and approve the MTC budget;
- to assume replacement services (Opt-Out) program responsibilities; and
- to conduct research and render advice on transportation issues.

OPERATIONS AND CLIENTELE:

The RTB is comprised of 8 board members and a chairman. The board, which represents the 8 metropolitan districts, is appointed by the Metropolitan Council. The RTB chairman is appointed by the Governor. The RTB has 27 employees organized into 2 major divisions (Planning and Programs/Administration and Finance) in addition to a Public Information Office reporting to the Executive Director.

There are 40 providers in the metropolitan area under contract to the RTB to provide a variety of different public transit services. Transit programs are typically described by the following categories:

- | | |
|------------------|----------------|
| - Regular Route | - Rideshare |
| - Metro Mobility | - Jobseekers |
| - Rural/Exurban | - New Services |
| - Small Urban | - Exurban |
| - Opt-Out | |

The RTB established its direction, priorities, timing and funding for various elements of the metropolitan transit system in its 5 year implementation plan for transit services, capital facilities and transit financing in the Twin Cities. Although this implementation plan is currently being revised to be in conformance with the Metropolitan Council's new Transportation Policy Plan, its basic premise will remain the same--service needs should be satisfied through a variety of methods and modes, each designed to served the needs of specific market groups. This "family of transit" should include regular route services, local circulation services, paratransit services such as carpooling, vanpooling and dial-a-ride, and the fixed facilities necessary to support and enhance these services.

Regular route transit services which include local express, crosstown, and local circulator services will continue to be the backbone of the system.

Paratransit services, including rideshare strategies such as carpooling and vanpooling and a wide variety of dial-a-ride services, may be focused on special groups such as the elderly or handicapped, as in the case of Metro Mobility, or can be oriented to the general public. Light rail transit promises to be a cost-effective and efficient transit option in certain transportation corridors in the Twin Cities Metropolitan Area and should become an integral component of the area's coordinated transportation system.

BUDGET ISSUES:

It is an important time for major transportation decisions in the Twin Cities. Major trends point to a period of stress for the region's transportation system and increasing travel needs of transit dependents. Transit is considered an essential part of the solution to deal with the difficult transportation issues facing the region. The RTB, thus, has many challenges:

- ensuring that transit and travel demand management strategies are integrated as important elements of the transportation system;
- advancing new and improved transit services to meet the needs of urban, suburban and exurban areas;
- optimizing the capacity and performance of transit services to meet the travel needs of the elderly and disabled;
- ensuring that existing services are operated cost-effectively and responsive to changing travel needs; and
- advancing light rail transit as an integral component of the area's coordinated transportation system.

To meet these challenges, the RTB is taking aggressive steps to:

- implement new transit services in suburban areas where typically such service has been unavailable, but where the need continues to grow;
- increase local involvement in RTB activities, including establishment of a community grant program whereby communities could qualify for RTB funding to plan new transit services, and establishment of 2 chairman's advisory committees composed of local policy makers;
- promote RTB as a regional partner in solving transportation issues by becoming involved in the development of transit and travel demand management strategies for major transportation corridors, acting as a resource on light rail transit regional coordination and offering transit technical issues to transit operator;
- provide better transit service through better information management by developing and applying performance and financial standards and improving data collection and analytical capabilities in order to identify trends and issues early so that appropriate action can be prescribed; and
- continue to oversee refinements to the Metro Mobility system in order that its users will provide better and expanded service.

Federal Funds:

Federal operating funds continue to decline as a percentage (7%) of operating expenses in real terms. This decline has a direct impact on state and local sources of revenue to support transit. The result of this reduction has been greater reliance on the local property tax to fund the regular route transit system, which is estimated to provide 42% of the operating costs in 1989.

AGENCY: REGIONAL TRANSIT BOARD
(Continuation)

1990-91 Biennial Budget

Attorney General Costs:

The Regional Transit Board incurs no Attorney General costs.

EXPLANATION OF BUDGET REQUEST:

The Regional Transit Board funding consists of 4 major components: fares, federal and private subsidies, local (government) participation, and the RTB subsidy.

All RTB subsidies derive their funding from property tax levies and state assistance.

Some transit programs, such as Metro Mobility and new services, are 100% funded through state appropriations; other programs, such as the regular route transit system, are subsidized primarily through the property tax levy and state appropriations are utilized to supplement tax levy shortfalls.

During the 1990-91 biennium, the RTB requests BASE level of state funding as the previous biennium. However, the budget contains a number of activity level CHANGE requests to reflect the shift of state dollars to those programs not supported by the property tax levy. Rationale for each of the changes is discussed in the budget activity CHANGE requests.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	1990-91 Biennium	
	All Funds	All Funds	
BASE Level Request	\$ 54,884	\$ 54,884	
Program/Budget Activity CHANGE Requests			
Rural and Small Urban	378	-0-	4
Regular Route	(2,519)	-0-	5
Metro Mobility	7,539	-0-	6
Funding Category Elimination	(5,898)	-0-	7
Planning and Programs	300	-0-	8
Administration	200	-0-	9
RTB Elimination	-0-	(54,884)	10
Subtotal	\$ -0-	\$ (54,884)	
AGENCY Total	\$ 54,884	\$ -0-	

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. The Governor's budget includes funding for metropolitan transit under the Transit Assistance Program in the Department of Transportation (MN/DOT). Total funding provided in MN/DOT

includes all RTB CHANGE requests except for Metro Mobility Transit Operations. The Governor will present a bill for implementation of this recommendation during the 1989 session.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : REGIONAL TRANSP BD
PROGRAM : REGIONAL TRANSIT BD
BUDGET ACTIVITY : REGIONAL TRANSIT BD

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	21,450	29,480	27,442	0	27,442	0	27,442	0	27,442	0
TOTAL EXPENDITURES	21,450	29,480	27,442	0	27,442	0	27,442	0	27,442	0
CHANGE REQUESTS:	FUND									
B RURAL & SMALL URBAN TRANSIT	GEN			171		0		207		0
B REGULAR ROUTE TRANSIT OPERATIONS	GEN			<2,626>		0		<4,493>		0
B REGULAR ROUTE TRANSIT OPERATIONS	TA			2,300		0		2,300		0
B METRO MOBILITY TRANSIT OPERATIONS	GEN			3,104		0		4,435		0
B ELIMINATION OF SEPARATE FUNDING CATEGORIES	GEN			<649>		0		<649>		0
B ELIMINATION OF SEPARATE FUNDING CATEGORIES	TA			<2,300>		0		<2,300>		0
B PLANNING & PROGRAMS OPERATIONS	GEN			0		0		300		0
B AGENCY ADMINISTRATIVE FUNDING	GEN			0		0		200		0
B RTB ELIMINATION	GEN			0		<14,525>		0		<14,525>
B RTB ELIMINATION	TA			0		<12,917>		0		<12,917>
TOTAL CHANGE REQUESTS				0		<27,442>		0		<27,442>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	14,770	14,525	14,525	0	14,525	0	14,525	0	14,525	0
TRANSIT ASSISTANCE	6,680	14,955	12,917	0	12,917	0	12,917	0	12,917	0
TOTAL FINANCING	21,450	29,480	27,442	0	27,442	0	27,442	0	27,442	0
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST **1990-91 Biennial Budget**
 _____ Agency _____ Program X Activity

ACTIVITY: REGIONAL TRANSIT BOARD
PROGRAM: REGIONAL TRANSIT BOARD
AGENCY: REGIONAL TRANSIT BOARD

REQUEST TITLE: RURAL AND SMALL URBAN TRANSIT OPERATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
	Amount	Positions	Amount	Positions
General Fund	\$ 171	-0-	\$ 207	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to respond to the expanding service levels and increased ridership in the rural and small urban areas and to provide new service levels during the 1990-91 biennium.

DESCRIPTION/BACKGROUND (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 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 actively provides funding for home-to-work, elderly and handicapped or general purpose travel.

SERVICE EFFECTIVENESS MEASURES:

	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
--	------------------	--------------------	--------------------	--------------------

Rural:				
Cost/Passenger	\$ 6.56	\$ 6.20	\$ 5.78	\$ 5.83
Subsidy/Passenger	6.32	5.94	5.50	5.55
Cost/Hour	18.28	18.41	19.52	20.83
Cost/Mile	1.16	1.24	1.32	1.38
Revenue/Cost	3.61%	4.26%	4.77%	4.82%
Passengers/Hour	2.79	2.97	3.38	3.57
Passengers/Mile	0.18	0.20	0.23	0.24
Small Urban				
Cost/Passenger	\$ 3.74	\$ 4.58	\$ 4.79	\$ 4.74
Subsidy/Passenger	2.95	3.77	3.98	3.93
Cost/Hour	20.57	23.49	25.84	27.02
Cost/Mile	1.51	1.69	1.92	2.00

<u>SERVICE EFFECTIVENESS MEASURES:</u>	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Revenue/Cost	21.28%	17.76%	16.91%	17.05%
Passengers/Hour	5.49	5.13	5.40	5.70
Passengers/Mile	0.40	0.37	0.40	0.42

RATIONALE:

Ridership increases have been very strong in 1988 on several small urban and rural services. As a result, service enhancements are planned for these services during F.Y. 1990 and 1991.

Total ridership for the small urban program is projected to increase 4.1% during C.Y. 1989. This is in addition to the estimated 3.4% increase during 1988.

It should also be noted that the rural programs are projecting an impressive 9.5% increase in ridership for C.Y. 1989. This compares to an estimated increase over last year of 3.2%.

Three programs are experiencing significant increases in operating costs due to comparable worth and additional staffing adjustments: DARTS, Carver county and Scott county.

In addition, 4 programs are experiencing increased operating costs due to higher insurance premiums ranging from 4% to 31% over last year's premiums: Hastings, DARTS, Senior Community and Senior Transportation.

Programs eligible for federal Section 18 funds have had their funding share reduced from 40% to 35%, which equates to a loss of \$22,485 for Hastings (\$5,329), Carver county (\$9,617), and Scott county (\$7,539).

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 730	\$ 730	\$ 730	\$ 730

<u>LONG RANGE IMPLICATIONS</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 207	\$ 207	\$ 414

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. Total funding provided to the Department of Transportation for metropolitan transit includes funding for this request.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

ACTIVITY: REGIONAL TRANSIT BOARD
 PROGRAM: REGIONAL TRANSIT BOARD
 AGENCY: REGIONAL TRANSIT BOARD

REQUEST TITLE: REGULAR ROUTE TRANSIT OPERATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$(2,626)	-0-	\$(4,493)	-0-
Transit Assistance	2,300	-0-	2,300	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Transit Assistance	-0-	-0-	-0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests that regular route funding be shifted with a higher emphasis from the transit assistance fund. Social fares appropriations of \$700,000 per fiscal year are included in regular route current funding requests.

DESCRIPTION/BACKGROUND (Statutory Ref: M.S. 473.384):

Metropolitan Transit Commission (MTC): State financial assistance is provided to the MTC to augment 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, the MTC annually services approximately 71,000,000 passengers on 28,600,000 service miles using a fleet of 833 peak vehicles. Annually, over 3,800 metro area residents are organized into vanpools and carpools for commuting purposes. Operating assistance from the state enables the 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 regional policies.

Private Operators: The Private Operators program provides state financial assistance to Medicine Lake Lines, North Suburban Lines and Airport Express, who provide regular route public transit within the Metropolitan Transit Taxing District. This assistance is intended to pay 100% of the operating deficit to supplement operating revenues. 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.

New Services/Test Marketing Program: This program provides a structured environment to plan and implement new service concepts, service delivery meth-

ods and other new or innovative approaches to transit. The program is accomplished within a process which provides for an open, systematic, multi-step approach to implementing, monitoring and evaluating transit service. A wide variety and number of service strategies were developed in the transit service needs assessment to meet identified unsatisfied needs. Many of these strategies focus on the transit needs in suburban communities. The implementation of new weekend circulation services in the communities of Anoka, Blaine, Coon Rapids and New Brighton in the summer of 1988 represents the first of these service improvements.

Other new services in the planning stages include local circulation services focusing on Rosedale, St. Louis Park internal circulation, crosstown and reverse commute services in the I-494 corridor and local services in the Lakeville-Farmington area. It is anticipated that these will be implemented in 1989. The RTB's Transit Hub program also focuses on improving transit services. In conjunction with implementation of new service in Anoka county, transit hub improvements have been made at Northtown and are being examined for Rosedale, the proposed Mega mall, Southdale and Maplewood.

<u>SERVICE EFFECTIVENESS MEASURES:</u>	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Cost/Passenger	\$ 1.42	\$ 1.50	\$ 1.54	\$ 1.59
Subsidy/Passenger	.90	1.01	1.04	1.08
Cost/Hour	45.35	46.13	46.27	48.71
Cost/Mile	3.58	3.57	3.69	3.84
Revenue/Cost	36.62%	33.11%	32.89%	31.74%
Passengers/Hour	31.88	30.65	29.99	30.66
Passengers/Mile	2.51	2.37	2.39	2.42

RATIONALE:

Although the total dollar request for regular route has been lowered from the BASE year, overall transit operations are expected to continue increasing at a 4% annual rate. This reduced CHANGE request reflects additional capability for regular route funding through farebox recovery and the property tax levy.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 6,041	\$ 5,796	\$ 5,796	\$ 5,796
Transit Assistance	4,680	8,655	6,617	6,617

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ (4,493)	\$ (4,493)	\$(8,986)
Transit Assistance	2,300	2,300	4,600

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. Total funding provided to the Department of Transportation for metropolitan transit includes funding for this request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TRANSIT BOARD
 PROGRAM: REGIONAL TRANSIT BOARD
 AGENCY: REGIONAL TRANSIT BOARD

REQUEST TITLE: METRO MOBILITY TRANSIT OPERATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$3,104	-0-	\$4,435	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to continue to provide transit services for those areas that were added to the system during 1988. The 1990-91 biennium will be the first full operational fiscal years for these expanded services areas.

DESCRIPTION/BACKGROUND (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 throughout the transit taxing district. In early 1987, service was expanded to northern Ramsey, southern Anoka, and northern and western Hennepin county, and in April, 1988, service was 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. There are 14 private providers that are participating in the program. The RTB has initiated a major effort to achieve cost savings while maximizing revenue from federal and state sources for agency related transportation. Fares for the service are \$1 for trips to 8 miles; additional mileage costs, up to \$1 per mile, are charged for trips longer than 8 miles, although user fares never exceed a total amount of \$3.75 for any trip.

STATISTICS:	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Cost/Passenger	\$ 8.72	\$ 9.22	\$ 9.59	\$ 9.99
Subsidy/Passenger	7.59	8.11	8.48	8.88
Revenue/Cost	12.91%	12.09%	8.48%	11.10%

RATIONALE:

Metro Mobility, the regional public transportation service for disabled persons, underwent major changes in October, 1986 in an effort to make its services more cost-effective and responsive to user needs. As a result of these changes, the number of Metro Mobility passenger trips has doubled and the sub per trip has decreased 30%. Service has also been expanded to cover

the entire metropolitan taxing district and operating hours have been uniformly extended. After a year of operation, the RTB financed an independent evaluation study to identify service problems associated with the restructured service and design strategies to address those problems.

Despite the cost savings that have occurred, unprecedented ridership increases have resulted in significant budgetary impacts. In 1988, the RTB requested a supplemental state appropriation of \$7,200,000 to meet the increased demand for Metro Mobility. Six million dollars was appropriated. The RTB is seeking to make up the difference for the rest of 1988 and deal with the longer range funding issues for Metro Mobility through examining a number of alternatives. The RTB continues to investigate the impact and feasibility of raising fares, limiting the number of rides, modifying certification criteria, reducing the costs of and/or increasing revenues for agency transportation.

Standing Metro Mobility orders oriented to health and human service agencies comprise 40-45% of the rides overall, and nearly 80% during the peak travel hours. The RTB is aggressively pursuing the opportunity to achieve cost savings associated with human service agency travel while maximizing revenue from federal and state sources.

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 more than 40% annually. This trend is expected to continue based on the increasing percentage of the population that is over the age of 65.
- Despite the increases in the number of passenger trips provided, market research results indicate that 41% of existing users expect to use the service more often in the future.
- There is strong resistance to participate financially on the part of agencies that serve disabled people. Although the RTB plans to work with each agency individually to determine how their transportation needs can be met and the costs of Metro Mobility can be reduced, a variety of barriers may prevent RTB from the successful accomplishment of this task.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 6,250	\$ 6,250	\$ 6,250	\$ 6,250
Transit Assistance	2,000	4,000	4,000	4,000

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 4,435	\$ 4,435	\$8,870

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. Total funding provided to the Department of Transportation for metropolitan transit includes BASE level funding for the Metro Mobility program. Costs to the state for this program should be held down to that level through aggressive cost control measures and better targeting of the service.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

ACTIVITY: REGIONAL TRANSIT BOARD
 PROGRAM: REGIONAL TRANSIT BOARD
 AGENCY: REGIONAL TRANSIT BOARD

REQUEST TITLE: ELIMINATION OF SEPARATE FUNDING CATEGORIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (649)	-0-	\$ (649)	-0-
Transit Assistance	(2,300)	-0-	(2,300)	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
Transit Assistance	-0-	-0-	-0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the elimination of separate funding categories for New Services Test Marketing, Social Fares, and Light Rail Transit Studies. Future funding for New Services Test Marketing and Social Fares would be included under the Regular Route funding category. Light Rail Transit Studies would be provided for under the Planning and Programs category.

RATIONALE:

Planning and programming efforts to implement and test-market new services are incorporated in the Regional Transit Board's current Implementation Plan, as well as its annual budget. Operating costs associated with each service to be implemented are included in the budget activity categories such as regular route, rural and small urban or replacement service. Light rail activities relating to the Regional Transit Board's responsibilities relating to review and comment on county regional rail authority light rail transit plans have been included in the board's planning and programs budget activity. The social fare appropriation was approved anticipating that senior fare of 10 cents would be increased to 25 cents under a proposal developed by the Metropolitan Transit Commission aimed at fare simplification. The Regional Transit Board plans to evaluate the proposal after public hearings in late 1988, which could lead to implementation in April, 1989.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 649	\$ 649	\$ 649	\$ 649
Transit Assistance	-0-	2,300	2,300	2,300

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:

	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ (649)	\$ (649)	\$(1,298)
Transit Assistance	(2,300)	(2,300)	(4,600)

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. Total funding provided to the Department of Transportation for metropolitan transit includes funding for this request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TRANSIT BOARD
 PROGRAM: REGIONAL TRANSIT BOARD
 AGENCY: REGIONAL TRANSIT BOARD

REQUEST TITLE: PLANNING AND PROGRAMS OPERATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	-0-	\$ 300	-0-
Transit Assistance	-0-	-0-	-0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Transit Assistance	-0-	-0-	-0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to continue its participation in LRT studies in cooperation with the regional rail authorities and other regional agencies.

DESCRIPTION/BACKGROUND (Statutory Ref: 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.

As part of these ongoing planning and programs efforts, The RTB is involved in a number of activities related to light rail transit. The RTB is legislatively authorized to review and comment on LRT comprehensive plans and grant applications and to undertake special studies in conjunction with these responsibilities. Additionally, The RTB is actively involved in technical and policy committees set up by the regional railroad authorities and plans, as appropriate, to conduct and/or participate in projects dealing with regional coordination issues associated with light rail transit.

RATIONALE:

In the Twin Cities Metropolitan Area, the county regional railroad authorities are responsible for developing and implementing light rail transit. The Metropolitan Council and the RTB closely cooperate with the regional railroad authorities in the study, planning and design of LRT systems and review and

comment on county light rail transit plans and funding proposals. In each of the 7 counties, discussion on the topic of light rail transit has taken place and in the case of Hennepin, Ramsey and Anoka counties, aggressive efforts have been made.

Light rail transit can offer an efficient and cost-effective transit option in certain transportation corridors in the Twin Cities when deployed as part of the area's coordinated transportation system. It is essential that light rail transit planning and implementation be coordinated among the county rail authorities and that LRT be integrated into the existing transit system.

Use of MVET funds and any other funds used for transit services to support LRT development must be considered in relation to the region's ability to fund existing and future transit needs. MVET funds have previously been identified by the RTB to support transit operating costs for a range of regional transit programs including regular route service, Metro Mobility and the New Transit Services program. When (if?) the additional burden of funding LRT operating costs is added to these existing needs, use of current levels of MVET funding for purposes other than financing transit operating costs becomes problematic. Additional funding sources for light rail transit, including federal and private monies, must be considered in order that all modes of transit can be adequately funded.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 750	\$ 750	\$ 750	\$ 750
Transit Assistance	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 300	\$ 300	\$ 600
Transit Assistance	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. Total funding provided to the Department of Transportation for metropolitan transit includes funding for this request.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

ACTIVITY: REGIONAL TRANSIT BOARD
 PROGRAM: REGIONAL TRANSIT BOARD
 AGENCY: REGIONAL TRANSIT BOARD

REQUEST TITLE: AGENCY ADMINISTRATION FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	-0-	\$ 200	-0-
Transit Assistance	-0-	-0-	-0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Transit Assistance	-0-	-0-	-0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to provide administrative support to the planning and transit programs activities of the RTB.

DESCRIPTION/BACKGROUND:

Administration expenditures cover building rents and utilities, salaries and benefits, consultant fees, supplies and equipment, board and policy expenditures and chargebacks from the Metropolitan Council. Additional administrative tasks in the upcoming biennium include the procedural developments and reporting requirements for SED and Affirmative Action legislation passed in the 1988 legislative session.

RATIONALE:

Administrative funding for the the RTB has remained constant since the inception of the agency in 1984. Reallocation of resources within this activity has enabled the RTB to operate with same level funding for the past 4 years. However, at the end of F.Y. 1990, these funds will be exhausted. Historically, the RTB has never used property tax levies for the administration of the agency nor does the agency generate any user fees to offset these costs.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 350	\$ 350	\$ 350	\$ 350
Transit Assistance	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 200	\$ 200	\$ 400
Transit Assistance	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. Total funding provided to the Department of Transportation for metropolitan transit includes funding for this request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL TRANSIT BOARD
 PROGRAM: REGIONAL TRANSIT BOARD
 AGENCY: REGIONAL TRANSIT BOARD

REQUEST TITLE: REGIONAL TRANSIT BOARD ELIMINATION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$(14,525)	-0-	\$(14,525)	-0-
Transit Assistance Fund	(12,917)	-0-	(12,917)	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 15A.081, 15.0597, 352D.02, 174.32, 473

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the functions of the Regional Transit Board be transferred to other state and metropolitan agencies for better coordination of metropolitan transit policy and programs. The Governor's budget includes funding for metropolitan transit under the Transit Assistance Program in the Department of Transportation (MN/DOT). Total funding provided in MN/DOT includes all RTB CHANGE requests except for Metro Mobility Transit Operations. The Governor will present a bill for implementation of this recommendation during the 1989 session.

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 14,770	\$ 14,525	\$ 14,525	\$ 14,525
Transit Assistance Fund	6,680	14,955	12,917	12,917

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ (14,525)	\$ (14,525)	\$(29,050)
Transit Assistance Fund	(12,917)	(12,917)	(25,834)

AGENCY: TRANSPORTATION REGULATION BOARD

1990-91 Biennial Budget

AGENCY PURPOSE:

The Transportation Regulation Board (TRB) 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.

OPERATIONS 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 Department of Transportation (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 schedule; and 3) adjudication of a combination of formal and informal railroad-related matters resulting in orders for the granting of clearance variance, 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.

ATTORNEY GENERAL COSTS:

Fees for Legal Services Rendered	(Dollars in Thousands)			
	Actual	Act/Est	Agency Request	
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Fees Assessed	\$ 44	\$ 50		
Fee Paid	\$ 22	\$ 25		
Requested Budget	\$ 20	\$ 25	\$ 30	\$ 30

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.

REVENUE:

	(Dollars in Thousands)				
	Actual	Actual	Estimate	Estimate	Estimate
	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 8	\$ 7	\$ 7	\$ 7	\$ 7

ACTIVITY STATISTICS:

Objective No.	F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
1. Orders-Rate Matters	437	261	350	350	350
2. Orders-Authority Matters	804	691	750	750	750
3. Orders-Railroad Regulation	35	37	40	40	40

EXPLANATION OF BUDGET REQUEST:

The agency requests \$19,000 each year for a one half time staff attorney and \$50,000 for the biennium for computer related administrative improvements.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ 1,180	\$ 1,180	
Agency-wide CHANGE Requests	88	88	3 & 4
AGENCY Total	\$ 1,268	\$ 1,268	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : TRANSP REG BOARD
PROGRAM : TRANSP REGULATION BD
BUDGET ACTIVITY : TRAN REG BD - TRB

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	342	401	396	19	415	415	396	19	415	415
EXPENSES/CONTRACTUAL SRVCS	134	170	175	25	200	200	175	0	175	175
MISC OPERATING EXPENSES	9	16	16	0	16	16	16	0	16	16
SUPPLIES/MATERIALS/PARTS	3	2	2	0	2	2	2	0	2	2
CAPITAL EQUIPMENT	1	1	1	25	26	26	1	0	1	1
TOTAL EXPENDITURES	489	590	590	69	659	659	590	19	609	609
CHANGE REQUESTS: FUND										
B ADMINISTRATIVE IMPROVEMENTS				50		50		0		0
B STAFF ATTORNEY ASSISSTANCE				19		19		19		19
TOTAL CHANGE REQUESTS				69		69		19		19
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	489	590	590	69	659	659	590	19	609	609
TOTAL FINANCING	489	590	590	69	659	659	590	19	609	609
POSITIONS BY FUND:										
TRUNK HIGHWAY	8.0	9.0	9.0	0.5	9.5	9.5	9.0	0.5	9.5	9.5
TOTAL POSITIONS	8.0	9.0	9.0	0.5	9.5	9.5	9.0	0.5	9.5	9.5

CHANGE REQUEST _____ 1990-91 Biennial Budget
 Agency _____ Program _____ Activity

ACTIVITY:
 PROGRAM:
 AGENCY: TRANSPORTATION REGULATION BOARD

REQUEST TITLE: ADMINISTRATIVE IMPROVEMENTS

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
Trunk Highway Fund	\$ 50	-0-	\$ -0-	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ 50	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes No
 Statutes Affected:

DESCRIPTION/BACKGROUND:

The agency request an administrative study by the department of Administration, purchase of computer equipment and contract for software development and training. Granting this request will enable Department of Administration (DOA) to make recommendations as to how the board may operate in a most efficient manner. Needed computer equipment can be purchased and software developed to meet administrative needs and data management to facilitate the board's responsibilities for ratemaking and collective ratemaking monitoring and order retention.

The purpose of the administrative study by the Department of Administration is to analyze critical functions and determine efficiencies to be gained by automating administrative responsibilities. Ratemaking is a highly complex and technical function requiring analysis of large volumes of data. Currently, the board has no computers. We anticipate that the DOA report will recommend some degree of automation with implementation as soon as possible.

The board is mandated by statute to fix and establish just, reasonable and nondiscriminatory rates for regular route common carriers of freight. To justify changes in these types of rates, carriers submit proposals for board disposition. In most instances, the format for these proposals is a computerized analysis which measures cost of service versus the carriers profitability. To better facilitate the staff investigation for justification of these proposals requires the acquisition of a rate analytic program with necessary hardware and software.

In addition, this hardware can be programmed to provide a complete current summarization of individual motor carriers authority. The institution of this program would eliminate the tedious, laborious process of reviewing microfilm to acquire this knowledge. The agency requests that unencumbered funds remaining in the first year be available for the second year of the biennium.

RATIONALE:

Granting this request will enable the board to utilize computers more effectively to serve the industry it regulates.

BASE: None

LONG RANGE IMPLICATIONS: None

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ Activity _____

ACTIVITY:
PROGRAM:
AGENCY: TRANSPORTATION REGULATION BOARD

REQUEST TITLE: STAFF ATTORNEY ASSISTANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 19	.5	\$ 19	.5
Governor's Recommendation				
Trunk Highway Fund	\$ 19	.5	\$ 19	.5

Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The board requests establishment of one half staff attorney position to supplement the services of its Attorney General which acts as legal counsel. Hiring a staff attorney will make it possible to write orders which more effectively reflect the board's intent and to write administrative rules governing its activities.

DESCRIPTION/BACKGROUND:

Just prior to the establishment of the Transportation Regulation Board, regulation of transportation was the responsibility of the Public Utilities Commission. When the board was established as a separate agency in 1983, positions were transferred from the Public Utilities Commission to support the board. When the function was part of the commission, decision-makers and staff had access to both Attorney General and staff attorneys for drafting orders and administrative rules. No staff attorney position was transferred to the board in 1983. Consequently, the board has had to rely exclusively on Attorney General staff to conduct legal research, draft orders, act as legal counsel, represent it in court appeals, and write administrative rules. The .5 position allocated from the Attorney General for these duties has been insufficient to address all the legal needs of the board.

While transportation analysts are able to write effective orders for the majority of applications, those which result in contested cases need to be drafted in conjunction with a person skilled in interpretation of the law.

Since the only legal resource available to the board is the Attorney General, all this work has been assigned there. While the work requires a knowledge of legal research and writing, it does not need to be completed by the board's legal counsel. Much of it could be done by an attorney working as a legal research staff person. The board's counsel could spend time more appropriately reviewing that work and providing legal advice to the board. The result would be better orders served by the board in shorter periods of time.

During the period since its creation, the board has continued to operate under rules promulgated when it was part of the Public Utilities Commission. Those rules need extensive review and revision so they reflect not only the new organization but the increased responsibilities of the board and the relationship to the MN/DOT Motor Carrier Safety & Compliance Office. The board has not revised any of its rules because current staff does not have the time or the expertise to write them.

Delaying major revisions, which constitute the majority of the current backlog, has several negative effects: 1) the board finds it more difficult to be consistent in its policies since it looks at individual cases and not an entire industry; 2) costs to petitioners and protestants increase with the necessity for special meetings and hearings before the board; 3) each up-to-date rule significantly reduces the burden on the carrier industry and the board because rules provide standard procedure, outline requirements and insure equitable treatment for all parties.

RATIONALE:

Hiring a staff attorney will allow the board to focus on its priorities and develop staff expertise that combines transportation regulation and legal research. It will cost significantly less than obtaining those same services from the Attorney General since those services are billed at \$45 per hour and estimated costs for a staff attorney are approximately \$15 per hour. Existing clerical staff will be able to provide the staff support needed by this position.

BASE: None

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
	\$ 19	\$ 19	\$ 38

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET

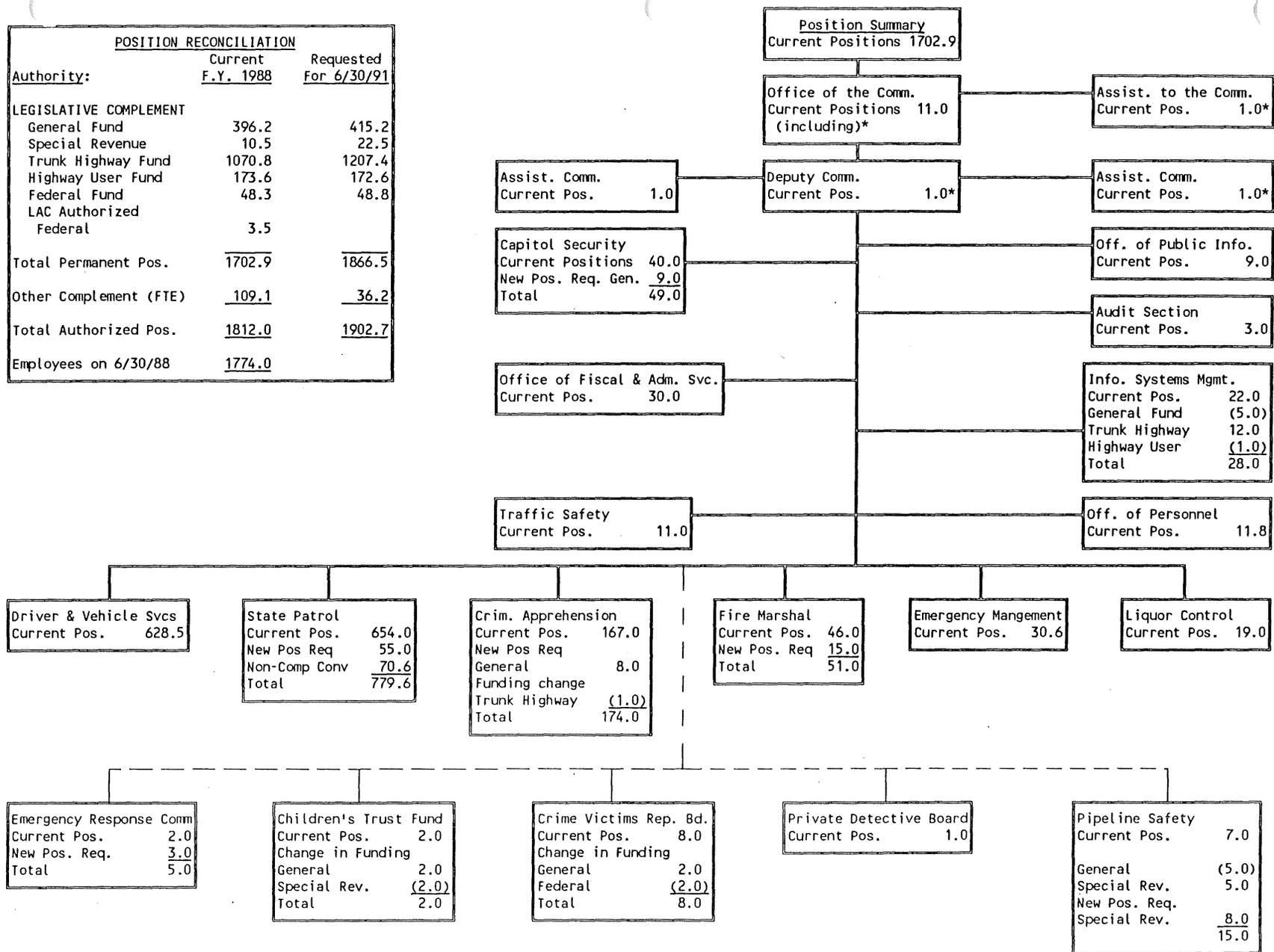
PROGRAM STRUCTURE

AGENCY: PUBLIC SAFETY, DEPARTMENT OF

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
ADMINISTRATION AND RELATED SERVICES-----	Traffic Safety and Research	4	13
	Information and Education		16
	Public Safety Support		18
	Information Systems Management		20
EMERGENCY MANAGEMENT-----	Emergency Management Assistance		25
	Nuclear Plant Preparedness		30
CRIMINAL APPREHENSION-----	Criminal Justice Evidence Analysis		36
	Criminal Justice Records		38
	Criminal Investigations and Assistance		42
	Police Training and Development		46
	Criminal Apprehension Support		48
FIRE MARSHAL-----	Fire Prevention, Protection, Investigation		54
STATE PATROL-----	Patrolling Highways		63
	Radio Communications		68
	Air Patrolling		71
	Commercial Vehicle Enforcement		73
	State Patrol Training		75
	Traffic Safety Education		77
	State Patrol Support		79
CAPITOL SECURITY-----	Executive Protection		83
	Capitol Complex Security		85
DRIVER AND VEHICLE SERVICES-----	Vehicle Registration and Title		93
	Interstate Registration and Reciprocity		95
	Vehicle Dealer Licensing		98
	License Plate Manufacturing		100
	Bicycle Registration		103
	Licensing Drivers		105
	No-Fault Insurance		111
	Auto Accident Record		113
	Driver License Support		115
LIQUOR CONTROL-----	Liquor Licensing		119
ANCILLARY SERVICES-----	Pipeline Safety		124
	Crime Victims Reparations		129
	Childrens Trust Fund		132
	Emergency Response Commission		136
	Private Detective Board		139

DEPARTMENT OF PUBLIC SAFETY
Organization Chart 7-1-88

POSITION RECONCILIATION		
Authority:	Current F.Y. 1988	Requested For 6/30/91
LEGISLATIVE COMPLEMENT		
General Fund	396.2	415.2
Special Revenue	10.5	22.5
Trunk Highway Fund	1070.8	1207.4
Highway User Fund	173.6	172.6
Federal Fund	48.3	48.8
LAC Authorized Federal	3.5	
Total Permanent Pos.	1702.9	1866.5
Other Complement (FTE)	109.1	36.2
Total Authorized Pos.	1812.0	1902.7
Employees on 6/30/88	1774.0	



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.

OPERATIONS AND CLIENTELE:

The department is comprised of 9 programs:

- State Patrol
- Criminal Apprehension
- Emergency Management
- Liquor Control
- Capitol Security
- Fire Marshal
- Driver and Vehicle Services
- Administration and Related Services
- Ancillary Services

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 4 million vehicles
- 138,000 registered bicycles
- 3,500 motor vehicle dealers
- 87 county sheriffs
- 855 municipal governments
- 500 police departments
- 6,000 full time peace officers
- 800 fire departments
- State's entire criminal justice system
- Over 1,600 health care facilities
- 5,000 hotel/motel/resort facilities
- 10,000 licensed daycare facilities
- 25,000 liquor licensees
- 28 natural gas operators
- 700 liquid petroleum gas operators
- 30,000 businesses storing hazardous substances
- Hundreds of victims of crime

Areas of special emphasis for the biennium are:

- * Drug enforcement and control
- * Replacement of the automated fingerprint identification network
- * Department information systems
- * Traffic speed enforcement and drunk driving control
- * Fire prevention training
- * Commercial vehicle safety
- * Fire safety in daycare facilities
- * Hazardous materials safety programs
- * Completion of a pipeline safety program

Details of the department's operations are provided on the program and activity pages that follow.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	Recommendation	
	All Funds	All Funds	
BASE Level Request	\$ 196,299	\$ 196,299	
Agency-wide CHANGE Requests:			
Optical Disk Storage	1,282	1,282	8
Management Information Systems	1,268	1,268	6
Change in Funding ISM Activity	-0-	-0-	5
Worker's Compensation	640	40	9
Subtotal	\$ 3,190	\$ 2,590	
Program level CHANGE Requests:			
Conversion of Non-Complement Positions	-0-	-0-	62
Subtotal	-0-	-0-	
Activity CHANGE Requests:			
Radioactive Waste Subsidy	(30)	(30)	29
Nuclear Power Plant Assessment	160	160	32
Fingerprint System Upgrade	3,310	3,060	41
Narcotics Agents	820	820	45
Criminal Investigation Equipment	250	100	44
Crime Watch Funding Change	-0-	-0-	51
Fire Safety Equipment	20	20	57
Day Care Inspection	388	388	58
Funding Ten Trooper Positions	937	937	66
State Patrol Complement Increase	4,922	4,922	67
Radio System Consolidation and Upgrade	2,475	2,475	70
Ramps and Tunnel Surveillance System	95	95	88
Communication System Monitors	240	240	89
Security Guard Complement Increase	302	100	87
Prorate Data Processing System	282	282	97
Driver License Exam Equipment	1,569	1,569	108
Maintenance, Driver License Exam	281	281	109
Lease Vehicle Inspection Sites	246	246	110
License Plate Replacement	577	577	102
Pipeline Safety Funding	738	738	128
Children's Trust Fund	64	-0-	135
Hazardous Substance Funding	585	585	138
Crime Victim Ombudsman	144	-0-	131
Subtotal	\$ 18,375	\$ 17,565	
AGENCY TOTAL	\$ 217,864	\$ 216,454	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF

F.Y. 1990

F.Y. 1991

PROGRAM EXPENDITURES:	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
ADMIN & RELATED SVS	6,215	7,046	7,042	1,510	8,552	8,552	7,045	1,384	8,429	8,429
EMERGENCY MANAGEMENT	9,913	8,017	2,971	85	3,056	3,056	2,971	85	3,056	3,056
CRIMINAL APPREHENSION	13,497	14,246	13,108	3,775	16,883	16,558	13,182	443	13,625	13,550
FIRE MARSHAL	1,894	1,971	2,003	208	2,211	2,211	2,003	200	2,203	2,203
STATE PATROL	36,084	38,018	39,076	5,196	44,272	43,972	39,076	3,734	42,810	42,510
CAPITOL SECURITY	1,317	1,328	1,447	396	1,843	1,735	1,447	241	1,688	1,594
DRIVER & VEH SERVICES	25,790	28,321	28,640	2,156	30,796	30,796	28,641	621	29,262	29,262
LIQUOR CONTROL	767	770	788	0	788	788	788	0	788	788
ANCILLARY SERVICES	2,279	3,095	3,032	676	3,708	3,634	3,039	855	3,894	3,760
TOTAL EXPENDITURES	97,756	102,812	98,107	14,002	112,109	111,302	98,192	7,563	105,755	105,152
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	19,774	22,700	22,052	4,660	26,712	26,105	22,141	1,120	23,261	22,918
SPECIAL REVENUE	554	1,076	1,087	449	1,536	1,636	1,094	669	1,763	1,803
TRUNK HIGHWAY	52,181	54,734	56,034	8,598	64,632	64,332	56,038	5,270	61,308	61,008
HGHNY USER TAX DISTR	8,321	9,130	9,178	295	9,473	9,473	9,178	504	9,682	9,682
STATUTORY APPROPRIATIONS:										
GENERAL	233	120	155	0	155	155	256	0	256	256
SPECIAL REVENUE	1,540	2,423	2,510	0	2,510	2,510	2,491	0	2,491	2,491
TRUNK HIGHWAY	1	650	650	0	650	650	650	0	650	650
FEDERAL	15,148	11,971	6,441	0	6,441	6,441	6,344	0	6,344	6,344
AGENCY	0	8	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS	4	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	97,756	102,812	98,107	14,002	112,109	111,302	98,192	7,563	105,755	105,152
POSITIONS BY FUND:										
GENERAL	396.7	396.2	396.2	19.0	415.2	406.2	396.2	19.0	415.2	408.2
SPECIAL REVENUE	3.0	10.5	11.5	7.0	18.5	20.5	11.5	11.0	22.5	24.5
TRUNK HIGHWAY	1,060.8	1,070.8	1,070.8	134.6	1,205.4	1,205.4	1,070.8	136.6	1,207.4	1,207.4
HGHNY USER TAX DISTR	173.6	173.6	173.6	<1.0>	172.6	172.6	173.6	<1.0>	172.6	172.6
FEDERAL	52.3	51.8	48.8	0.0	48.8	48.8	48.8	0.0	48.8	48.8
TOTAL POSITIONS	1,686.4	1,702.9	1,700.9	159.6	1,860.5	1,853.5	1,700.9	165.6	1,866.5	1,861.5

CHANGE REQUEST _____ 1990-91 Biennial Budget
 Agency _____ Program _____ Activity

ACTIVITY: PUBLIC SAFETY, DEPARTMENT OF
 PROGRAM: PUBLIC SAFETY, DEPARTMENT OF
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: CHANGE IN FUNDING, INFORMATION SYSTEMS POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (224)	(6.0)	\$ (224)	(6.0)
Trunk Highway Fund	254	7.0	254	7.0
Highway User Fund	(30)	(1.0)	(30)	(1.0)
Governor's Recommendation				
General Fund	\$ (224)	(6.0)	\$ (224)	(6.0)
Trunk Highway Fund	254	7.0	254	7.0
Highway User Fund	(30)	(1.0)	(30)	(1.0)

Request requires statutory change: Yes _____ No
 Statutes Affected: M.S. 352B.01, subd.2

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the adjustments in source of funding to complete the internal reorganization establishing the office of information systems management by incorporating information systems elements of the bureau of criminal apprehension and the division of driver and vehicle services.

DESCRIPTION/BACKGROUND:

Since the creation of the department of public safety in 1970, systems and information have been managed within each division or office. Although it was somewhat coordinated through a central planning unit, for operational purposes it was segmented. This resulted in a significant difference in the use of technology from one division to another. The sharing of data between divisions and direction and coordination of policies on the use and management of information did not exist.

In 1985 the department formed a management information systems (MIS) policy advisory body, which developed the departments first MIS plan in 1986. In order to provide for a coordinated approach to the management of information within the department the commissioner established the office of information systems management in September, 1987.

RATIONALE:

Information is a valuable resource which requires proper management to support the organization's mission and functions. Both human resources and

technology available for managing information is very costly and must be obtained and utilized wisely. Proper management includes department-wide planning, establishment of standards that assure compatability of equipment and systems, quality control for data collected, and assurance of information sharing. It should also provide accessibility to the information in order to assist in the delivery of services, decision-making, program management and maximization of cost benefits.

Public safety has a large investment in existing systems, and new systems and technology are being asked for each day. The office of information systems management will perform the tasks of planning and coordination that will help tie existing systems together and prepare to meet future requirements.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ 220	\$ 224	\$ 224
Trunk Highway Fund	625	644	653	653
Highway User Fund	-0-	30	30	30

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ -0-	\$ -0-	\$ -0-
Trunk Highway Fund	254	254	508
Highway User Fund	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGF REQUEST 1990-91 Biennial Budget
 (Agency Program Activity)

ACTIVITY: PUBLIC SAFETY, DEPARTMENT OF
 PROGRAM: PUBLIC SAFETY, DEPARTMENT OF
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: MANAGEMENT INFORMATION SYSTEMS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (110)	-0-	\$ (110)	-0-
Trunk Highway Fund	953	3.0	535	5.0
Governor's Recommendation				
General Fund	\$ (110)	-0-	\$ (110)	-0-
Trunk Highway Fund	953	3.0	535	5.0

Request requires statutory change: _____ Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to improve its overall management and delivery of services by providing the capability, through automated systems and associated procedures and training, to coordinate and integrate the vast amounts of information and data collected by the department. 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 3 years of internal study and planning and restructuring of the department's internal information and data management needs. The objective is to develop a department wide automated information system that will integrate all information collected and maintained. Timing is critical, since the demands on this department to collect and make information available has increased dramatically in recent years. Legislation has established new programs related to hazardous material regulation, pipeline safety, commercial and motor vehicle registration, specialized law enforcement reports, etc. There are backlogs of programming requests (over 30 from DVS alone) affecting many areas of the department. All of these projects need to be integrated into the department's information system plan and prioritized for implementation. This requirement further emphasizes the need for professional department wide planning and coordination. This request is comprised of 3 parts:

1. The department MIS plan utilizes PC and mini computer technology. It will provide the capability to link existing local area networks together and provide a link with our systems at intertechnology group. The 2 computers will also replace four existing computers (two IBM 8100s and 2 Texas Instrument 990s). These existing 1978/81 vintage computers are

obsolete, difficult to support and are not capable of handling additional application or communications. One new mini would support our local applications and serve as the LAN manager. The second mini computer would support all non-critical applications and development activities. In an emergency it would provide a backup capability for all critical applications and communication.

- The department computerized criminal history system was implemented in 1978. In 1987, intertechnology group identified this system as "old" and that replacement was critical. Immediate planning began involving the BCA, supreme court, department of corrections and IPO to design a new system that would utilize the technical capabilities of data transfer and automated file update. This would replace the current paper flow process from the department of corrections and the supreme court resulting in timely updating of records, greater accuracy and faster response to user request for information. This is critical since requests for this information have increased by over 21% per year over the last 5 years. Much of this growth has come from outside the criminal justice community for background information related to preemployment screening by government and private industry.
- The establishment of a base core of professional staff is essential to the success of this MIS plan. This staff must consist of different levels of expertise, i.e. management analysts, EDP programmers, systems programmers, and specialized EDP technicians. Intertechnology group is phasing out of specific areas of its EDP programming and support. Public safety will need to absorb those responsibilities, and it will require additional staff to provide support to systems previously developed and maintained by intertechnology group.

Two additional programmer analysts and 1 systems analyst will carry out those responsibilities and assist in addressing a backlog of over 40 request for new or enhanced systems. One management analyst position will provide additional planning and coordination capabilities for the new areas of responsibilities assigned to the department by the legislature in recent years. An electronic technician is needed to provide the technical expertise to connect, disconnect, setup, relocate, install and upgrade the 300 computer workstations throughout the department. Additionally this position would handle the technical responsibilities related to the departments mini computers and local area networks. Also included under the personnel funding are dollars for professional development of new and existing staff.

The cost estimates are as follows:	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
1. Implement MIS plan	\$ 576	\$ 346
2. Criminal history system	250	-0-
3. Personnel	141	203

RATIONALE:

Each division has had substantial input into the planning and development of this MIS plan and will benefit individually and jointly by the technologies envisioned. Every unit of the department has identified applications which, when combined with the technologies proposed, will allow them to accomplish increased volumes of work, provide additional service as required by both

CHANGE REQUEST **1990-91 Biennial Budget**

Agency Program Activity
(Continuation)

ACTIVITY: PUBLIC SAFETY, DEPARTMENT OF
PROGRAM: PUBLIC SAFETY, DEPARTMENT OF
AGENCY: PUBLIC SAFETY, DEPARTMENT OF

federal and state legislation, and provide the capability to make information available upward, downward and across all divisions and offices of public safety.

The personal computers will increase productivity at the division operational levels. Microfilming of historical documents will reduce storage space while providing easy retrieval of seldom used information. The mini computers will provide enhanced capabilities for the department in-house automated systems while also providing for the linking of personal computer local area networks. This will allow total sharing of information and data as well as providing for management of resources. External links from the minis to intertechnology group will provide for further sharing of information and data throughout state government and through existing state networks to local government. Through this networking we will be able to gather and provide specific kinds of information and statistics for analysis, evaluation and comparison to determine the effectiveness of current programs and insure appropriate planning for the future.

Public Safety already has a large investment in existing systems. The capabilities outlined here will enable the department to tie those systems together, enhancing current information uses and assisting the department in meeting future requirements.

<u>BASE:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 561	\$ 561	\$ 268	\$ 276
Trunk Highway Fund	289	373	407	417
Highway User Fund	43	74	47	47

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund	\$ -0-	\$ -0-	\$ -0-
Trunk Highway Fund	267	267	534
Highway User Fund	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program _____ Activity 1990-91 Biennial Budget

ACTIVITY: PUBLIC SAFETY, DEPARTMENT OF
 PROGRAM: PUBLIC SAFETY, DEPARTMENT OF
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: OPTICAL DISK STORAGE AND RETRIEVAL

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 495	-0-	\$ 787	-0-
Governor's Recommendation				
Trunk Highway Fund	\$ 495	-0-	\$ 787	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts to improve its delivery of services by providing for the capability of storing very large volumes of documents in an optical disk based storage and retrieval system. 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.

EFFECTIVENESS MEASURES:

The public safety optical storage and retrieval system is being jointly planned with the department of administration intertechnology group. In F.Y. 1989 the 2 agencies will design a prototype system for driver and vehicle services division as part of an overall department needs study. The prototype will be implemented in F.Y. 1990 and serve as a basis for the system design for department-wide implementation in F.Y. 1991. This project will provide intertechnology group with the experience to assist other state agencies implement optical disk technology in the future. The effectiveness of the prototype system developed for driver and vehicle services will be evaluated based on improved service to the public through more timely response to inquires, high quality copies of documents, and improved speed and accuracy of processing.

DESCRIPTION/BACKGROUND:

Thousands of documents are received by the department each day. These documents must be moved through processing which often requires the documents to be physically moved among several locations. Documents must be retrieved to provide information to the public and other agencies both during processing

and after processing is completed. Retrieval of the documents during the processing is especially cumbersome because the document may be temporarily stored in any one of several locations. Optical disk technology provides a retrievable image of the document that may be used for processing or for providing information without regard for the physical location of any document and permits simultaneous retrieval of the image from several locations.

The implementation of an optical disk storage and retrieval system in public safety will greatly improve the handling of the large volume of documents processed each day and increase the timeliness of service being provided to the citizens of Minnesota. The optical disk storage also improves security of the documents since once the image is stored it is virtually tamper proof. Through the use of software, specific data on the documents can be extracted and integrated with existing data bases such as driver license, motor vehicle and the criminal history systems.

The cost estimates are as follows:	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
1. Optical disk storage and retrieval system	\$ 350	\$ 600
2. Integration to existing systems	100	75
3. System maintenance	45	112

RATIONALE:

Optical disk technology is relatively new technology which has been effectively used by private industry and other state governments. It was developed to meet the needs of organizations like the department of public safety that process millions of documents each year and where access to the information on the documents is required during and after processing. Driver and vehicle services division processes approximately 12,800,000 documents each year in performing tasks related to motor vehicle registration and titling, driver licensing, accident records and other activities. The bureau of criminal apprehension has over 4,000,000 documents supporting its criminal history records. Other divisions, including the fire marshal and liquor control, will benefit from the implementation of an optical disk system in the processing of applications and inspection reports.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 250	\$ 300	\$ 550

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: PUBLIC SAFETY, DEPARTMENT OF
 PROGRAM: PUBLIC SAFETY, DEPARTMENT OF
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: WORKERS' COMPENSATION COSTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 20	-0-	\$ 20	-0-
Trunk Highway	300	-0-	300	-0-

Governor's Recommendation

General Fund	\$ 20	-0-	\$ 20	-0-
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 to fund escalating workers' compensation costs in the state patrol and emergency management programs.

DESCRIPTION/BACKGROUND:

Workers' compensation costs have increased dramatically over recent years to a point where the existing program budgets are no longer adequate. In F.Y. 1988, the state patrol workers' compensation costs exceeded \$550,000. This created deficits and impaired other activity budgets.

In F.Y. 1988, workers' compensation payments for the state patrol included the following:

1. Payment of \$58,062 to the workers' compensation reinsurance association as required under M.S. 79.34.
2. Payment of \$91,946 in workers' compensation special fund assessments. The special fund assessment was 15% of total workers' compensation payments in 1982. The rate is presently 31% of all payments.
3. Administrative costs for F.Y. 1988 totaling \$53,599. The assessment for administrative costs is presently 12% of workers' compensation payments.
4. A total of \$403,285 in workers' compensation claims were billed in F.Y. 1988 with a refund of \$53,908 given for overcharges.

In the emergency management program an ongoing workers' compensation claim is being paid to a former employee who was federally funded at the time of his employment. The size of the claim varies periodically depending on medical treatment and other associated costs.

RATIONAL:

Law enforcement officers are exposed to increased risks on the job, including injury from hostile motorists and road emergency situations. High stress associated with responding to emergencies and critical incidents, increased risks of vehicle accidents, related injuries, and extensive physical activity contribute to an injured-on-duty experience several times higher than other state employees. M.S. 176.011, subdivision 15, which defines certain heart diseases and pneumonia as occupational diseases, has also had a severe impact on workers' compensation costs, resulting in several large lump sum settlements.

The ongoing workers' compensation claim in emergency management was originally paid with federal funds. Federal funds will not be available for future payments, necessitating future payment by the state.

Funds approved for this change request will be used for workers' compensation costs so that those obligations will not jeopardize other activities.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Trunk Highway Fund	553	553	553	553
Federal Fund	16	20	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 20	\$ 20	\$ 40
Trunk Highway Fund	300	300	600

GOVERNOR'S RECOMMENDATION:

The Governor recommends a General Fund appropriation of \$40,000 for the biennium because of the limited funding and flexibility in the Emergency Management Division. No Trunk Highway funding is recommended. Workers' Compensation costs should be financed through salary saving and internal budget reallocations.

PROGRAM: ADMINISTRATION & RELATED SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

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, children's trust fund, and the emergency response commission.

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 information systems management, and the office of traffic safety. Program priorities include:

- * Management direction, policy level administrative support and long range planning.
- * Financial management of the annual budget, which includes coordination and oversight of all divisions.
- * Accounting, warehousing, purchasing, and other fiscal resource management services.
- * Personnel management, training, labor negotiations, affirmative action and employee safety.
- * Public information and education.
- * Information management.
- * Internal audit.
- * Administration of a statewide traffic safety program.

EXPLANATION OF BUDGET REQUEST:

This program has 3 Agency-wide CHANGE request items: \$495,000 in F.Y. 1990 and \$787,000 in F.Y. 1991 to fund an optical disk storage system. \$843,000 in F.Y. 1990 and \$425,000 in F.Y. 1991 for a major management information system and office automation project. The third request is a funding conversion of 7.0 positions.

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 administrative services provided to agency activities that are 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 1-1-90 and 1-1-91 respectively:

<u>General Fund</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>TOTAL</u>
BASE Level	\$ 901	\$ 927	\$ 1,828
CHANGE Level	662	460	1,122
Total	\$ 1,563	\$ 1,387	\$ 2,950

<u>Highway User Fund</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>Total</u>
BASE Level	\$ 321	\$ 340	\$ 661
CHANGE Level	147	169	316
Total	\$ 468	\$ 509	\$ 977

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ADMIN & RELATED SVS

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST		TOTAL	GOVERNOR'S RECOMM.	AGENCY REQUEST		TOTAL	GOVERNOR'S RECOMM.
			BASE	CHANGE			BASE	CHANGE		
TRAFFIC SAFETY&RESRC	1,924	2,233	2,189	0	2,189	2,189	2,189	0	2,189	2,189
INFORMATION&EDUC	775	723	706	0	706	706	706	0	706	706
PUBLIC SAF-SUPPORT	2,889	3,244	3,288	0	3,288	3,288	3,291	0	3,291	3,291
INFORMATION SYSTEMS MANAGEMENT	627	846	859	1,510	2,369	2,369	859	1,384	2,243	2,243
A IPO-OPTICAL DISC STORAGE AND RETRIEVAL TH				495		495		787		787
A IPO-MANAGEMENT INFORMATIONS SYSTEM PLAN TH				967		967		549		549
A FUNDING OF INFORMATION SYSTEMS GEN MANAGEMENT ACTIVITY				<176>		<176>		<176>		<176>
A FUNDING OF INFORMATION SYSTEMS TH MANAGEMENT ACTIVITY				254		254		254		254
A FUNDING OF INFORMATION SYSTEMSHUTD MANAGEMENT ACTIVITY				<30>		<30>		<30>		<30>
TOTAL EXPENDITURES	6,215	7,046	7,042	1,510	8,552	8,552	7,045	1,384	8,429	8,429
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	78	250	229	<176>	53	53	229	<176>	53	53
TRUNK HIGHWAY	3,807	4,060	4,117	1,716	5,833	5,833	4,120	1,590	5,710	5,710
HGHMY USER TAX DISTR	54	120	120	<30>	90	90	120	<30>	90	90
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	313	453	690	0	690	690	690	0	690	690
FEDERAL	1,959	2,163	1,886	0	1,886	1,886	1,886	0	1,886	1,886
GIFTS AND DEPOSITS	4	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	6,215	7,046	7,042	1,510	8,552	8,552	7,045	1,384	8,429	8,429
POSITIONS BY FUND:										
GENERAL	0.0	5.0	5.0	<5.0>	0.0	0.0	5.0	<5.0>	0.0	0.0
SPECIAL REVENUE	1.0	0.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TRUNK HIGHWAY	79.8	80.8	80.8	10.0	90.8	90.8	80.8	12.0	92.8	92.8
HGHMY USER TAX DISTR	0.0	1.0	1.0	<1.0>	0.0	0.0	1.0	<1.0>	0.0	0.0
FEDERAL	10.5	10.5	9.5	0.0	9.5	9.5	9.5	0.0	9.5	9.5

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ADMIN & RELATED SVS

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	91.3	97.8	97.8	4.0	101.8	101.8	97.8	6.0	103.8	103.8

ACTIVITY: TRAFFIC SAFETY AND RESEARCH 1990-91 Biennial Budget
 Project: ADMINISTRATION AND RELATED SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

The office of traffic safety exists to reduce the number of crashes, injuries, and deaths that occur on Minnesota's streets and highways. This mission is accomplished by planning, developing, managing, and evaluating traffic safety activities which are funded through federal, state, and local resources, and by collecting, analyzing, and distributing statistical information on motor vehicle accidents.

1. Highway Safety Program:

Statutory Reference: M.S. 4.075, M.S. 169.10

The highway safety act of 1966 (P.L. 89-564) established a federally-funded highway safety program to reduce the number of crashes, deaths, and injuries occurring on the state's roads and highways. Projects are conducted at state and local levels in such areas as drunken driving, occupant restraint usage, pedestrian and bicyclist safety, school bus safety, and motorcycle safety. An annual plan is prepared which includes statistical analysis of traffic crash data. Grant recipients include counties, cities, schools and state agencies.

The office of traffic safety is also responsible for the analysis and publication of traffic crash data which is particularly important in identifying accident problem areas and in developing effective programs to eliminate the problems. An annual report (Minnesota Motor Vehicle Crash Facts) is distributed to approximately 2,100 organizations and individuals throughout the state.

<u>Statistics:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Traffic deaths	580	560	545	530
Traffic injuries	43,000	43,500	43,500	44,000
Vehicle miles of travel (billions)	36.5	37.9	39.4	40.1
Economic loss (millions of dollars)	\$ 560.0	\$ 570.0	\$ 575.0	\$ 580.0

<u>Effective measures:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fatality rate per 100 million vehicle miles traveled	1.59	1.53	1.50	1.50

<u>Grants by Fund:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Federal	\$ 958	\$ 1,057	\$ 1,057	\$ 1,057

2. Motorcycle Safety:

Statutory Reference: M.S. 126.115, 171.06

The Minnesota motorcycle safety program was established in 1982 to de-

velop comprehensive countermeasures to the problem of the increasing number of motorcycle riders who were being killed or injured in crashes. Legislation was passed with the full support of the motorcyclists to pay an additional fee for a motorcycle endorsement on their drivers license to fund the program. Research on motorcycle accidents is conducted to identify specific problems, and projects addressing these problems are written in the areas of rider training, license testing and public information.

Since the inception of the program, all licensing sites have changed to the motorcycle operator skills test developed by the national highway traffic safety administration and the motorcycle safety foundation. Public information campaigns have been conducted to educate both riders and the general population on motorcycle safety issues.

<u>Statistics:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Motorcycle crashes	2,600	2,550	2,500	2,500
Motorcyclists killed	65	60	60	55
Motorcyclists injured	2,200	2,150	2,100	2,050
Licensed operators	295,000	302,000	309,000	316,000
Registered motorcycles	130,600	129,500	128,500	128,000

<u>Contracts by Fund:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Motorcycle Safety	\$ 166	\$ 288	\$ 288	\$ 288

* Federal fiscal year (October 1 to September 30)

3) Bicycle Safety:

Statutory Reference: M.S. 168C.04

The Minnesota community bicycle safety program (MCBSP) is a youth-oriented safety program that provides technical assistance in the form of training and materials to communities statewide for educational and enforcement activities. These community bicycle safety programs for youth are a valuable way for thousands of young people to learn basic traffic safety rules, as they apply to bicycles and motor vehicles, and master the bike riding skills they need to use in traffic. Programs offered range from bicycle safety classes, maintenance classes, bike safety presentations, bike rodeos and bike rides.

The MCBSP trains community bike patrols from cities statewide each year in enforcement techniques, educational principals, and bike riding skills. Bike patrols help communities educate individuals on bike safety while enforcing traffic laws. In F.Y. 1988, over 500 police officers, bike patrols, reserves and community service officers issued 4,187 tickets, conducted violator's seminars for 1,401 people and made 415 court referrals.

The MCBSP has found that an extremely effective way to reach teenagers is through its pedal power camp. During this week-long summer session, teens learn bicycle safety skills which they use afterwards to conduct bike safety activities in their communities. Community support for pedal power is very strong as evidenced by the number of community organizations (es-

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ADMIN & RELATED SVS
BUDGET ACTIVITY : TRAFFIC SAFETY&RESRC

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	370	392	396	0	396	396	396	0	396	396
EXPENSES/CONTRACTUAL SRVCS	495	601	593	0	593	593	593	0	593	593
MISC OPERATING EXPENSES	34	70	70	0	70	70	70	0	70	70
SUPPLIES/MATERIALS/PARTS	8	20	20	0	20	20	20	0	20	20
CAPITAL EQUIPMENT	6	40	0	0	0	0	0	0	0	0

STATE OPERATIONS	913	1,123	1,079	0	1,079	1,079	1,079	0	1,079	1,079
LOCAL ASSISTANCE	1,011	1,110	1,110	0	1,110	1,110	1,110	0	1,110	1,110

TOTAL EXPENDITURES	1,924	2,233	2,189	0	2,189	2,189	2,189	0	2,189	2,189

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
GENERAL	53	53	53	0	53	53	53	0	53	53
TRUNK HIGHWAY	145	165	161	0	161	161	161	0	161	161
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	170	288	288	0	288	288	288	0	288	288
FEDERAL	1,556	1,727	1,687	0	1,687	1,687	1,687	0	1,687	1,687

TOTAL FINANCING	1,924	2,233	2,189	0	2,189	2,189	2,189	0	2,189	2,189

POSITIONS BY FUND:										

SPECIAL REVENUE	0.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TRUNK HIGHWAY	3.5	3.5	3.5	0.0	3.5	3.5	3.5	0.0	3.5	3.5
FEDERAL	7.5	7.5	7.5	0.0	7.5	7.5	7.5	0.0	7.5	7.5

TOTAL POSITIONS	11.5	11.0	11.0	0.0	11.0	11.0	11.0	0.0	11.0	11.0

ACTIVITY: INFORMATION AND EDUCATION **1990-91 Biennial Budget**
Program: ADMINISTRATION AND RELATED SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

The mission of the office of public information is to facilitate departmental communication with the media and the public to ensure that all people within Minnesota are educated and informed on public safety issues. The activity:

- * 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.
- * Participates in nuclear power plant disaster exercises each year conducted by the division of emergency management, by developing procedures to provide the affected public with timely and accurate information in the event of an actual or potential nuclear accident.
- * Provides training and informational safety films to schools, civic groups, state patrol safety education troopers, municipal and county enforcement agencies and other public and private organizations. The films are viewed by more than 1.5 million Minnesotans annually.
- * Uses results of surveys conducted by government or private groups to determine level of knowledge, attitudes and opinions of the driving public on various traffic safety issues. These results are used as a basis for designing informational programs and determining effectiveness.
- * Coordinates the printing of the state driver manual, the motor vehicle traffic law book, and motorcycle handbook.
- * Assists all divisions and staff offices in the development and production of information material. Graphic art typesetting and keylining are done internally or coordinated with a commercial agency.
- * Coordinates the department's exhibit at the Minnesota state fair. Over 200,000 people visit the public safety exhibit each year. The exhibit provided the opportunity for citizens to learn about traffic safety, crime prevention, fire safety, disaster protection and allows them to obtain a copy of their driving record.

Statutory Reference: M.S. 299A.01

ACCOMPLISHMENTS:

1. Occupant restraints. With the passage of an occupant restraint law, \$10 fine, and considerable public information efforts, adult seat belt usage in Minnesota has gone from 14.8 percent prior to the seat belt law to 47 percent since the penalty was imposed. The department was presented an award of excellence for a television public service announcement in 1988.
2. Motorcycle safety. The main publicity campaign in F.Y. 1988 was aimed at drinking alcohol and operating motorcycles. Posters, billboards, radio announcements and ads on buses in the Twin Cities, Duluth and St. Cloud were aimed at reduction in the number of alcohol related motorcycle driver fatalities. The 1989 campaign will encourage beginning and ex-

perienced drivers to take approved training courses to improve riding skills and knowledge.

3. General traffic safety. The use of public information/education efforts with printed material and audio/visual films were used to inform and educate drivers about traffic accidents, injuries and fatalities. Information campaigns were aimed at all age groups and levels of driving experience. The demand for material used for accident prevention courses for drivers 55 years and older skyrocketed as older drivers took advantage of the courses to receive insurance discounts. For many older drivers this is the first formal driver training received.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
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	1.90
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

REVENUE: This activity generates non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - Trunk Highway	\$ 31	\$ 33	\$ -33	\$ 33

BUDGET REQUEST: This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ADMIN & RELATED SVS
BUDGET ACTIVITY : INFORMATION&EDUC

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	270	270	278	0	278	278	278	0	278	278
EXPENSES/CONTRACTUAL SRVCS	390	371	346	0	346	346	346	0	346	346
MISC OPERATING EXPENSES	36	34	34	0	34	34	34	0	34	34
SUPPLIES/MATERIALS/PARTS	54	48	48	0	48	48	48	0	48	48
CAPITAL EQUIPMENT	15	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	765	723	706	0	706	706	706	0	706	706
LOCAL ASSISTANCE	10	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	775	723	706	0	706	706	706	0	706	706
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	25	25	0	0	0	0	0	0	0	0
TRUNK HIGHWAY	431	353	361	0	361	361	361	0	361	361
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	143	165	165	0	165	165	165	0	165	165
FEDERAL	176	180	180	0	180	180	180	0	180	180
TOTAL FINANCING	775	723	706	0	706	706	706	0	706	706
POSITIONS BY FUND:										
SPECIAL REVENUE	0.5	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5
TRUNK HIGHWAY	8.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0
FEDERAL	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TOTAL POSITIONS	10.0	9.0	9.0	0.0	9.0	9.0	9.0	0.0	9.0	9.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ADMIN & RELATED SVS
BUDGET ACTIVITY : PUBLIC SAF-SUPPORT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,768	1,942	1,982	0	1,982	1,982	1,982	0	1,982	1,982
EXPENSES/CONTRACTUAL SRVCS	849	1,030	1,034	0	1,034	1,034	1,037	0	1,037	1,037
MISC OPERATING EXPENSES	41	48	48	0	48	48	48	0	48	48
SUPPLIES/MATERIALS/PARTS	65	46	46	0	46	46	46	0	46	46
CAPITAL EQUIPMENT	16	1	1	0	1	1	1	0	1	1
REDISTRIBUTIONS	150	177	177	0	177	177	177	0	177	177

TOTAL EXPENDITURES	2,889	3,244	3,288	0	3,288	3,288	3,291	0	3,291	3,291

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	2,606	2,898	2,942	0	2,942	2,942	2,945	0	2,945	2,945
HGHMY USER TAX DISTR	54	90	90	0	90	90	90	0	90	90
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	0	237	0	237	237	237	0	237	237
FEDERAL	225	256	19	0	19	19	19	0	19	19
GIFTS AND DEPOSITS	4	0	0	0	0	0	0	0	0	0

TOTAL FINANCING	2,889	3,244	3,288	0	3,288	3,288	3,291	0	3,291	3,291

POSITIONS BY FUND:										

SPECIAL REVENUE	0.0	0.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TRUNK HIGHWAY	52.3	54.3	54.3	0.0	54.3	54.3	54.3	0.0	54.3	54.3
FEDERAL	1.5	1.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5

TOTAL POSITIONS	53.8	55.8	55.8	0.0	55.8	55.8	55.8	0.0	55.8	55.8

ACTIVITY: INFORMATION SYSTEMS MANAGEMENT **1990-91 Biennial Budget**
Program: ADMINISTRATION AND RELATED SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

The office of information systems management has been reorganized to assume a broader more comprehensive role and responsibility. The addition of new programs as well as a refocused approach to the management of information in public safety requires more coordination and integration of automated systems. This includes collecting, using and sharing of information throughout the department, between other agencies and local users. These services encompass two major categories of activity.

* Systems development and programming services provides for the review and coordination of all requests for data processing services. This includes working with department users to correct problems or identify improvements needed, designing those changes and then programming, testing, and implementing the changes. All new software applications requested by department users are evaluated for consistency with established department policies and standards. Approved applications may become projects assigned in-house, assigned to intertechnology group, or contracted to outside vendors. All application projects are managed under this activity.

* Support services provides for assistance in defining the information services needs for the department. The primary tool for this is the development of the department MIS plan. Additionally, this activity provides assistance to department clients in planning, evaluating, purchasing, and implementing hardware and software acquisitions.

Both internal and external users of department systems are provided training and assistance. Many of these systems used by local governments are regulated by federal laws and rules. This activity performs the operator certification and systems audits as required by these regulations.

Statutory Reference: M.S. 299A.01

OBJECTIVES AND EFFECTIVENESS MEASURES:

Since this is a newly reorganized activity within public safety, these objectives/measurements are for the new biennium and the effectiveness of this new activity will be measured based on accomplishments related to these objectives:

- * Evaluate and update the departments management information systems plan yearly to reflect the changing needs of public safety as well as the changing capabilities of technology.
- * Identify aging systems (both hardware and software) within the department, and plan for replacement, both operationally and through funding.
- * Expand training capabilities and availability for clients (both department employees as well as local government system users) to improve effective use of information systems technology.
- * Conduct system audits to assure effectiveness of systems developed and insure compliance with both state and federal laws and regulation as to

their use.

* Coordinate MIS activities, needs, policies, and direction with users in the department and survey customers related to usefulness of our services.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Training classes conducted				
Internal	5	15	20	30
External	23	30	40	45
System operator certifications				
New	202	200	200	200
Renewal	0	1,000	0	1,200
Audits				
Internal	0	10	15	15
External	23	60	80	100
System work requests completed				
Feasibility studies	32	38	44	53
System enhancements	25	28	31	35
New systems	7	10	13	18
System maintenance work orders	224	230	240	245
Telecomm. orders processed	51	60	60	65
Lans operational	18	22	25	28
PCs operational	250	260	300	320
Mini's operational	6	6	6	4
327X workstations	220	220	200	160

REVENUE:

This activity does not generate revenue.

BUDGET REQUEST:

This activity has 3 Agency-wide CHANGE requests.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ADMIN & RELATED SVS
BUDGET ACTIVITY : INFORMATION SYSTEMS MANAGEMENT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	580	804	817	164	981	981	817	236	1,053	1,053
EXPENSES/CONTRACTUAL SRVCS	19	24	24	538	562	562	24	303	327	327
MISC OPERATING EXPENSES	7	15	15	25	40	40	15	15	30	30
SUPPLIES/MATERIALS/PARTS	6	3	3	108	111	111	3	50	53	53
CAPITAL EQUIPMENT	15	0	0	675	675	675	0	780	780	780
TOTAL EXPENDITURES	627	846	859	1,510	2,369	2,369	859	1,384	2,243	2,243
CHANGE REQUESTS: FUND										
A IPO-OPTICAL DISC STORAGE AND RETRIEVAL TH				495		495		787		787
A IPO-MANAGEMENT INFORMATIONS SYSTEM PLAN TH				967		967		549		549
A FUNDING OF INFORMATION SYSTEMS GEN MANAGEMENT ACTIVITY				<176>		<176>		<176>		<176>
A FUNDING OF INFORMATION SYSTEMS TH MANAGEMENT ACTIVITY				254		254		254		254
A FUNDING OF INFORMATION SYSTEMSHUTD MANAGEMENT ACTIVITY				<30>		<30>		<30>		<30>
TOTAL CHANGE REQUESTS				1,510		1,510		1,384		1,384
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	172	176	<176>	0	0	176	<176>	0	0
TRUNK HIGHWAY	625	644	653	1,716	2,369	2,369	653	1,590	2,243	2,243
HGHMY USER TAX DISTR	0	30	30	<30>	0	0	30	<30>	0	0
STATUTORY APPROPRIATIONS:										
FEDERAL	2	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	627	846	859	1,510	2,369	2,369	859	1,384	2,243	2,243

POSITIONS BY FUND:

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ADMIN & RELATED SVS
BUDGET ACTIVITY : INFORMATION SYSTEMS MANAGEMENT

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
GENERAL	0.0	5.0	5.0	<5.0>	0.0	0.0	5.0	<5.0>	0.0	0.0	
TRUNK HIGHWAY	16.0	16.0	16.0	10.0	26.0	26.0	16.0	12.0	28.0	28.0	
HGHWY USER TAX DISTR	0.0	1.0	1.0	<1.0>	0.0	0.0	1.0	<1.0>	0.0	0.0	
TOTAL POSITIONS	16.0	22.0	22.0	4.0	26.0	26.0	22.0	6.0	28.0	28.0	

PROGRAM: EMERGENCY MANAGEMENT
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The mission of the division of emergency management is to maximize the safety of the people in Minnesota, through the coordination of federal, state and local disaster reduction, preparedness, response, and recovery efforts.

This program coordinates the efforts of 14 state and/or federally funded programs into an integrated, emergency management system approach, recognizing that certain functions are common to all disasters, and building the capability to perform those common functions.

OPERATION:

To accomplish its major goals and to meet statutory requirements, this division performs planning, training, exercising, operational and administrative functions.

- * Develop and maintain a comprehensive plan and program for emergency management in Minnesota. This plan and program is coordinated with, and integrated into, the plans of the federal government, other states, and all political subdivisions within Minnesota.
- * Conduct regular, effective training to prepare all agencies with emergency responsibilities to handle disasters. A priority is placed on exercise-based training to raise skill levels and build capabilities in simulated, real-life settings.
- * Maintain a 24-hour duty officer system to be responsive to disasters within the state. During emergencies, the division draws on the personnel and resources of other state departments to supplement its capabilities.
- * Manage federal funds which support local emergency management organizational requirements and operating costs. Numerous state and local administrative, planning, and operational requirements must be satisfied to qualify for this funding.

<u>SOURCES OF FUNDING:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of programs:				
100% federally funded	6	6	6	6
100% state funded	2	2	2	2
State/local and federally funded	6	6	6	6
TOTAL	<u>14</u>	<u>14</u>	<u>14</u>	<u>14</u>
Number of positions:				
100% federally funded	9.0	8.0	8.0	8.0
100% state funded	4.0	3.0	3.0	3.0
State and federally funded	18.5	19.5	19.5	19.5
TOTAL	<u>31.5</u>	<u>30.5</u>	<u>30.5</u>	<u>30.5</u>

EXPLANATION OF BUDGET REQUESTS:

CHANGE request items are requested for this program. A reduction is

requested from \$20,000 to \$5,000 in F.Y. 1990 and F.Y. 1991 for high-level radioactive waste subsidy. \$80,000 in F.Y. 1990 and in F.Y. 1991 is requested for nuclear plant preparedness, and \$20,000 in F.Y. 1990 and F.Y. 1991 for workers compensation costs (part of an agency-wide CHANGE request).

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : EMERGENCY MANAGEMENT

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
EMERG MGMT ASSIST	9,585	7,658	2,625	5	2,630	2,630	2,625	5	2,630	2,630
A FUNDING WORKER'S COMPENSATION COSTS GEN				20		20		20		20
B HIGH-LEVEL RADIOACTIVE WASTE SUBSIDY GEN DECREASE				<15>		<15>		<15>		<15>
NUCLEAR PLANT PREPAREDNESS	328	359	346	80	426	426	346	80	426	426
B INCREASE ANNUAL ASSESSMENT TO NUCLEAR GEN POWER PLANTS				80		80		80		80
TOTAL EXPENDITURES	9,913	8,017	2,971	85	3,056	3,056	2,971	85	3,056	3,056
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	815	2,413	915	85	1,000	1,000	915	85	1,000	1,000
STATUTORY APPROPRIATIONS:										
FEDERAL	9,098	5,604	2,056	0	2,056	2,056	2,056	0	2,056	2,056
TOTAL FINANCING	9,913	8,017	2,971	85	3,056	3,056	2,971	85	3,056	3,056
POSITIONS BY FUND:										
GENERAL	13.8	13.3	13.3	0.0	13.3	13.3	13.3	0.0	13.3	13.3
FEDERAL	17.8	17.3	17.3	0.0	17.3	17.3	17.3	0.0	17.3	17.3
TOTAL POSITIONS	31.6	30.6	30.6	0.0	30.6	30.6	30.6	0.0	30.6	30.6

Calls received 1,723 1,981 2,179 36

PURPOSE:

1. Disaster plans, procedures and guidance.

Under state and federal requirements, this activity is responsible for maintaining state disaster plans and assisting local governments in developing their plans. The superfund amendments and reauthorization act (SARA) and the Minnesota pipeline safety act contain major, additional planning requirements for local governments. Direct planning assistance is provided, to assist local governments in fully meeting FEMA requirements, thereby retaining eligibility for federal funding. Local planning sessions have dealt with the SARA legislation, its impact on local disaster planning, and the division's newly revised planning guidance. This activity also provides on-site planning assistance and training to help local governments improve their operational capabilities in warnings, communications and emergency operating centers.

2. Training, exercise, and public education programs.

The continued eligibility of local governments to receive federal personnel and administrative funding is dependent upon meeting the training and exercise requirements. These programs improve the level of professionalism among emergency management personnel, and increase the general public's preparedness for disaster. A change in the target audience is now occurring, addressing the first responders unable to take advantage of SARA training opportunities. This group is primarily composed of responders from small, volunteer departments.

Statistics: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
EMT training				
Courses	136	140	140	140
Total attendance	4,241	4,300	4,300	4,300
Hrs. of instruction	15,140	15,200	15,200	15,200
Hazmat training				
Courses	19	23	30	36
Total students	525	750	1,050	1,350
Student hrs. of instr.	2,700	5,950	8,700	10,900

3. 24-hour duty officer system.

The state 24-hour emergency/disaster notification and referral system has been provided by this activity for over 25 years. In recent years there has been a dramatic increase in the number of calls from local governments, businesses, industries, and private citizens who need to report an emergency or disaster, obtain information and guidance, or request a specific state agency response to a variety of incidents.

Statistics: Between 1986 and 1988, the number of calls received increased by over 136%.

4. Coordination of disaster assistance requests.

The state and federal governments offer nine different disaster assistance programs. Once the need for disaster assistance has been established, this activity helps local governments request the appropriate assistance.

Statistics: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Type and no. of requests	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Agricultural (federal)	11	87**	15	15
Calamity act (state)	0	1	1	1
Homestead property (state)	2	1	1	1
Presidential (federal)	1	1	1	1

** Because of the statewide drought, a statewide agriculture disaster designation was requested.

EFFECTIVENESS MEASURES:

- In F.Y. 1988 the division was awarded the Governor's teamwork award for its work in obtaining the federal disaster declaration following the July 1988 tornado and flooding and for coordinating the disaster response and assistance.
- In F.Y. 1989 the division received an award from the national weather service for its tornado spotter training program. The division trains local citizens to observe weather conditions and cloud patterns, to spot types of clouds that form tunnels, and to report actual funnel formations much quicker than radar's capability of picking up such conditions.

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 personnel and administrative expenses, 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 percent of these federal matching funds are allocated to local programs. State agencies, and all counties and municipalities are eligible for federal funds. Each of these programs provides up to 50 percent match for state and local expenditures when federal funds are available.

Statistics: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Emergency management assistance funds:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Allocated to state	352	399	399	399
Reallocated to locals	1,111	1,222	1,222	1,222
% retained by state *	24%	25%	25%	25%

ACTIVITY: EMERGENCY MANAGEMENT
 (Continuation)
 Program: EMERGENCY MANAGEMENT
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 1,111	\$ 1,222	\$ 1,222	\$ 1,222

* According to FEMA, 26 states retain more than 1/3 of their allocations.

2. Drought Relief Assistance

Statutory Reference: M.S. Chapter 12 and Executive Order 83-17.

The purpose of this grant program is to provide temporary relief measures for communities that have lost their water supply due to the drought, summer of 1988. Minor problems and permanent solutions such as digging new wells are handled at the local level. This money is used for emergency measures such as helping a community to temporarily fill a reservoir.

Grants by Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Local Assistance - General	\$ -0-	\$ 50	\$ -0-	\$ -0-

3. Flood Disaster Relief

Statutory Reference: M.S. Chapter 12 and Executive Order 83-17.

The Presidential disaster declaration secured in August 1987 made assistance available to state and local governments and individual homeowners and businesses to repair damage caused by the tornadoes and floods in the metropolitan area in July 1987. Funding to repair local public property to its predisaster condition was available in the amount of 75% federal funding, 15% state funding and 10% local responsibility. Funds to repair state property amounted to 75% federal and 25% state responsibility. Local homeowners who suffered damages not covered by their insurance were eligible for grants of up to \$5,000 each. This funding was 75% federal and 25% state. Small business administration loans were also available to homeowners and businesses as a result of the division securing this declaration of emergency.

Effectiveness Measures:

Following the tornado and flooding, the division had to compile 16 pages of detailed disaster damage and other socio-economic information, before a request for a Presidential declaration could be submitted. This information was submitted within seven days of the disaster. The following is the total assistance obtained as a result of the request:

Public assistance (state and local public property)	\$8,500,000
Individual and family grant program	1,900,000
Temporary housing	2,200,000
Small business administration (SBA) loans	15,000,000
TOTAL	\$27,600,000

Grants by Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Local Assistance				
General	\$ -0-	\$ 1,445	\$ -0-	\$ -0-
Federal	4,948	3,548	-0-	-0-
Total	\$ 4,948	\$ 4,993	\$ -0-	\$ -0-
Aids to Individuals				
Federal	\$ 1,982	\$ -0-	\$ -0-	\$ -0-

BUDGET ISSUES:

During the last several years there has been a dramatic increase in the volume and type of calls received on the 24-hour duty officer system. Several years ago on-call duty officers responded primarily to weather related incidents. They currently respond to hazardous materials incidents, radiological incidents, water supply emergencies, and numerous requests for local assistance. It is frequently necessary to activate the emergency operating center where appropriate communication and monitoring equipment is available.

REVENUE:

This activity generates non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-dedicated - General	\$ -0-	\$ 2	\$ 2	\$ 2

BUDGET REQUEST:	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
High-level radioactive waste	\$ (15)	\$ (15)

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : EMERGENCY MANAGEMENT
BUDGET ACTIVITY : EMERG MGMT ASSIST

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	976	1,018	1,028	20	1,048	1,048	1,028	20	1,048	1,048
EXPENSES/CONTRACTUAL SRVCS	398	200	200	<15>	185	185	200	<15>	185	185
MISC OPERATING EXPENSES	132	149	149	0	149	149	149	0	149	149
SUPPLIES/MATERIALS/PARTS	21	26	26	0	26	26	26	0	26	26
CAPITAL EQUIPMENT	17	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	1,544	1,393	1,403	5	1,408	1,408	1,403	5	1,408	1,408
AIDS TO INDIVIDUALS	1,982	0	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	6,059	6,265	1,222	0	1,222	1,222	1,222	0	1,222	1,222
TOTAL EXPENDITURES	9,585	7,658	2,625	5	2,630	2,630	2,625	5	2,630	2,630
CHANGE REQUESTS:										
A FUNDING WORKER'S COMPENSATION COSTS				20		20		20		20
B HIGH-LEVEL RADIOACTIVE WASTE SUBSIDY GEN DECREASE				<15>		<15>		<15>		<15>
TOTAL CHANGE REQUESTS				5		5		5		5
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	487	2,054	569	5	574	574	569	5	574	574
STATUTORY APPROPRIATIONS:										
FEDERAL	9,098	5,604	2,056	0	2,056	2,056	2,056	0	2,056	2,056
TOTAL FINANCING	9,585	7,658	2,625	5	2,630	2,630	2,625	5	2,630	2,630
POSITIONS BY FUND:										
GENERAL	11.8	11.3	11.3	0.0	11.3	11.3	11.3	0.0	11.3	11.3
FEDERAL	17.8	17.3	17.3	0.0	17.3	17.3	17.3	0.0	17.3	17.3

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : EMERGENCY MANAGEMENT
BUDGET ACTIVITY : EMERG MGMT ASSIST

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	29.6	28.6	28.6	0.0	28.6	28.6	28.6	0.0	28.6	28.6

ACTIVITY: EMERGENCY MANAGEMENT ASSISTANCE
 PROGRAM: EMERGENCY MANAGEMENT
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: HIGH-LEVEL RADIOACTIVE WASTE SUBSIDY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (15)	-0-	\$ (15)	-0-
Governor's Recommendation				
General Fund	\$ (15)	-0-	\$ (15)	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests a reduction from \$20,000 to \$5,000 per year for the costs incurred in connection with the shipment of high-level radioactive waste through Minnesota.

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 ensure that state and local governments can respond adequately to these accidents. Shippers are required to pay \$1,000 for each vehicle (cask) carrying high-level radioactive waste through Minnesota. This activity's F.Y. 1988-1989 budget includes \$20,000 for planning, training and monitoring activities that were anticipated for the biennium.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Shipments:				
Rail	0	0	0	0
Truck	0	2	2	2
Revenue collections	0	2,000	2,000	2,000

RATIONALE:

A large number of high-level radioactive waste shipments passed through Minnesota from 1985 through 1987. It was predicted that there would continue to be a significant number of shipments in F.Y. 1988 and beyond. There were no shipments in F.Y. 1988, and only 2 per year are currently anticipated for F.Y. 1989 through 1991. The reduction in the number of shipments predicted

is a result of several factors. Chief among them was an unexpected accelerated shipment schedule for the Monticello nuclear power plant fuel rods, thereby resulting in a completion of those shipments.

Although the anticipated number of shipments is down, experience in recent years has shown that adequate preparation for any such shipments results in increased costs for the affected state agencies. These agencies include the state patrol and the departments of health and transportation. Some of the costs are unrelated to the number of shipments, including training of local and/or state government personnel, equipment purchases, and emergency plan production and distribution. The funds remaining are needed for these on-going costs.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 1	\$ 20	\$ 20	\$ 20

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ (15)	\$ (15)	\$ (30)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: NUCLEAR PLANT PREPAREDNESS
Program: EMERGENCY MANAGEMENT
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

This activity was created by legislative mandate in F.Y. 1980, and is based on federal regulation and federal emergency management agency (FEMA) and U.S. nuclear regulatory commission (NRC) guidelines. Two Northern States Power Company nuclear power plants are located in Minnesota - one at Monticello and one at Prairie Island near Red Wing. Local governments within a 10-mile radius of these plants are in the emergency planning zones (EPZs). The primary state response organizations, besides the division of emergency management, are the state patrol and departments of health, transportation, human services and agriculture.

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.
- * Annually review and update state and local radiological emergency response plans in accordance with federal requirements.
- * Conduct training for first responders and government officials.
- * Develop scenarios and conduct exercises for at least one nuclear power plant area in accordance with federal requirements.
- * Provide technical and financial assistance to political subdivisions and other state agencies with emergency plan responsibilities.

Statutory Reference: M.S. 12.13 and 12.14.

RECENT BUDGET HISTORY: During the first 4 years of this activity, the emergency response plans were developed, exercised, reviewed and revised. Approval of these plans 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. Fifteen exercises of simulated emergencies have been held - 6 in the Prairie Island area, 6 in the Monticello area and 3 in the Houston County area, which was in the EPZ of the now decommissioned LaCrosse, Wisconsin nuclear generating plant.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of plans reviewed and updated	100	100	100	100
Number of revised plans distributed	120	120	120	120
Number of first responders trained	350	350	400	450
% of successfully completed exercises	100	100	100	100
Number of local government units assisted by grants and aids for emergency response purposes.	8	8	8	8

GRANTS AND AIDS

1. Reimbursement to Local Governments for Nuclear Power Preparedness.

Statutory Reference: M.S. 12.13

Four counties (Dakota, Goodhue, Sherburne and Wright) and four municipalities (Becker, Big Lake, Monticello and Red Wing) in the EPZs are automatically eligible for consideration as recipients of nuclear power plant grants due to their proximity to the Red Wing and Monticello 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 grants 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. In most cases, if grant monies are not available to cover the full cost of an item which has been requested, it is either not purchased or the grant funds are combined with local funds to permit purchase of the item.

<u>Grants by Fund:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 43	\$ 51	\$ 47	\$ 47

BUDGET ISSUES:

Recent federal guidance requires emergency plans for the 50 mile ingestion pathway surrounding nuclear power plants, medical services for evacuees, and evacuation of school children. During two power plant exercises in F.Y. 1988-89, deficiencies were cited and problem areas identified. These new federal requirements necessitate radiological training of school officials, special monitoring equipment, and additional resources targeted to the expanded 50 mile perimeters.

REVENUE: This activity generates non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - General	\$ 275	\$ 275	\$ 275	\$ 275

<u>BUDGET REQUEST:</u>	<u>(Dollars in Thousands)</u>	
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Increased federal requirements	\$ 80	\$ 80

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : EMERGENCY MANAGEMENT
BUDGET ACTIVITY : NUCLEAR PLANT PREPAREDNESS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	78	76	79	0	79	79	79	0	79	79
EXPENSES/CONTRACTUAL SRVCS	169	165	163	58	221	221	163	56	219	219
MISC OPERATING EXPENSES	28	36	36	0	36	36	36	0	36	36
SUPPLIES/MATERIALS/PARTS	6	11	8	4	12	12	8	2	10	10
CAPITAL EQUIPMENT	4	20	13	8	21	21	13	0	13	13
STATE OPERATIONS	285	308	299	70	369	369	299	58	357	357
LOCAL ASSISTANCE	43	51	47	10	57	57	47	22	69	69
TOTAL EXPENDITURES	328	359	346	80	426	426	346	80	426	426
CHANGE REQUESTS: FUND										
B INCREASE ANNUAL ASSESSMENT TO NUCLEAR GEN POWER PLANTS				80		80		80		80
TOTAL CHANGE REQUESTS				80		80		80		80
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	328	359	346	80	426	426	346	80	426	426
TOTAL FINANCING	328	359	346	80	426	426	346	80	426	426
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: NUCLEAR PLANT PREPAREDNESS
 PROGRAM: EMERGENCY MANAGEMENT
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: INCREASE ANNUAL ASSESSMENT TO OPERATORS OF NUCLEAR POWER PLANTS LOCATED IN MINNESOTA

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 80	-0-	\$ 80	-0-
Governor's Recommendation				
General Fund	\$ 80	-0-	\$ 80	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 1984 Ch. 12, Sec. 12.14

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to comply with additional federal requirements governing nuclear power plant off-site preparedness, and to improve state and local emergency response capabilities in the event of a nuclear plant accident.

DESCRIPTION/BACKGROUND:

Emergency response plans have been developed and annual exercises have been conducted to ensure that state and local governments have the capability to protect the public within the 10 mile radius of the nuclear power plants. Federal requirements state that deficiencies and problem areas requiring corrective action, identified during an exercise, must be addressed and corrective actions must be implemented. Recent federal guidance requires detailed plans for the 50 mile ingestion pathway, medical services for evacuees, safe evacuation of school children and other special populations, and specialized training in radiological monitoring and decontamination procedures for emergency workers and the general public. Requirements pertaining to the joint public information center are anticipated for the F.Y. 1990-91 biennium. Failure of the state to meet federal requirements would mean a suspension of the 44 CFR 350 plan approval and an inability to ensure public health and safety.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Financial assistance to local governments	\$ 43	\$ 51	\$ 57	\$ 69
Amount allocated to Department of Health	156	142	168	165
Amount of allocation to Department of Agriculture			27	26

RATIONALE:

Two nuclear power plant exercises were conducted during the F.Y. 1988-89 biennium. Deficiencies and problem areas that were identified must be corrected before the next exercise. These weaknesses relate to recent federal guidance that must be incorporated into state and local emergency response plans.

Specialized radiological monitoring, exposure control and decontamination equipment must be purchased to improve ingestion pathway performance. New federal guidance pertaining to medical services, decontamination of evacuees and evacuation of school children also requires special monitoring, exposure control and decontamination equipment. Radiological training of school district officials, school employees and transportation company employees is also required. Monitoring and decontamination training and implementation will have to be contracted to supplement state and local resources. Extra county staff time will be reimbursed in order to meet additional training and exercising time required to meet federal standards. The present budget is inadequate to fund necessary changes and improvements.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
NSP assessment	\$ 275	\$ 275	\$ 275	\$ 275
Non-NSP assessment General Fund	53	84	71	71
Total	\$ 328	\$ 359	\$ 346	\$ 346

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
NSP assessment	\$ 80	\$ 80	\$ 160
Non-NSP assessment - General Fund	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: CRIMINAL APPREHENSION
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

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 to aide them in the administration of justice and resolution. Specialized support activities consist of advanced police training, forensic laboratory analysis, gathering of statewide criminal justice statistics, and computer system operations and records maintenance.

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:

- * The forensic laboratory provides quality examinations in the area 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.
- * 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.
- * The investigative section 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.
- * 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.
- * The support activity furnishes personnel, fiscal, administrative and communications services and administers various grants and aids. It provides long-range planning, policy implementation, and innovative management methods.

EXPLANATION OF BUDGET REQUEST:

This program has four CHANGE request items: \$3,250,000 in F.Y. 1990 and \$60,000 F.Y. 1991 to upgrade/replace the fingerprint identification system, \$481,000 in F.Y. 1990 and \$339,000 in F.Y. 1991 and 8.0 positions for nar-

cotics investigations, \$125,000 in F.Y. 1990 and F.Y. 1991 for investigation equipment budget, and change in funding from trunk highway to general for the crime watch activity now organized in the BCA.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$250,000 in the MAFIN (fingerprinting) system, and a reduction of \$150,000 for the biennium for equipment.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
CRIM JUST EVID ANAL	2,979	3,391	3,377	0	3,377	3,377	3,377	0	3,377	3,377
CRIM JUST RECORDS	3,778	3,911	4,131	3,169	7,300	7,050	4,281	<21>	4,260	4,260
A IPO-MANAGEMENT INFORMATIONS SYSTEM PLAN GEN				<33>		<33>		<33>		<33>
A FUNDING OF INFORMATION SYSTEMS GEN				<48>		<48>		<48>		<48>
MANAGEMENT ACTIVITY										
B IPO-REPLACEMENT OF MAFIN SYSTEM GEN				3,250		3,000		60		60
CRIM INVEST&ASSIST	3,809	4,222	4,147	606	4,753	4,678	4,147	464	4,611	4,536
B NARCOTICS INVESTIGATOR POSITIONS GEN				481		481		339		339
B CRIMINAL INVESTIGATION EQUIPMENT GEN				125		50		125		50
POLICE TRNG & DEVELOPMENT	712	561	578	0	578	578	578	0	578	578
CRIM APPREH SUPPORT	2,219	2,161	875	0	875	875	799	0	799	799
B CHANGE IN FUNDING- CRIME WATCH GEN				97		97		97		97
B CHANGE IN FUNDING- CRIME WATCH TH				<97>		<97>		<97>		<97>
TOTAL EXPENDITURES	13,497	14,246	13,108	3,775	16,883	16,558	13,182	443	13,625	13,550
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	10,251	10,510	11,105	3,872	14,977	14,652	11,194	540	11,734	11,659
TRUNK HIGHWAY	933	1,048	1,066	<97>	969	969	1,066	<97>	969	969
STATUTORY APPROPRIATIONS:										
GENERAL	233	120	155	0	155	155	256	0	256	256
SPECIAL REVENUE	109	763	605	0	605	605	586	0	586	586
FEDERAL	1,971	1,805	177	0	177	177	80	0	80	80
TOTAL FINANCING	13,497	14,246	13,108	3,775	16,883	16,558	13,182	443	13,625	13,550
POSITIONS BY FUND:										
GENERAL	149.0	145.0	145.0	8.0	153.0	153.0	145.0	8.0	153.0	153.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SPECIAL REVENUE	0.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0
TRUNK HIGHWAY	13.0	14.0	14.0	<1.0>	13.0	13.0	14.0	<1.0>	13.0	13.0
TOTAL POSITIONS	162.0	167.0	167.0	7.0	174.0	174.0	167.0	7.0	174.0	174.0

ACTIVITY: CRIMINAL JUSTICE EVIDENCE ANALYSIS 1990-91 Biennial Budget
 Program: CRIMINAL APPREHENSION
 Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

The BCA's laboratory is a nationally recognized forensic laboratory. It is the only full service forensic science laboratory in the state of Minnesota. Adhering to the philosophy that "science is neutral," the BCA laboratory is in a unique position. The results of examinations must be held to a high standard as they will be used in courts of law where the individual's basic rights of freedom may be in the balance.

This activity provides forensic laboratory services to state law enforcement agencies in the following areas.

- * Scientific examinations of physical evidence recovered from crime scenes and other evidence associated with criminal investigations.
- * Analysis in the forensic specialty areas of toxicology, biology, chemistry, firearms, questioned documents, latent fingerprints, microscopy and trace evidence.
- * Forensic photography services and breath alcohol test operator training and equipment maintenance.
- * Written reports on the results of examinations.
- * Expert testimony in court when requested.
- * Crime scene processing in major crimes.
- * Instruction in police training schools.

Laboratory services are provided to police departments, county sheriffs, medical examiners, fire marshals, and BCA agents. The use of forensic evidence can be a pivotal element in the successful completion of a criminal investigation.

Statutory Reference: M.S. Chapter 299C.

EFFECTIVENESS MEASURES:

Objective: To reduce the case backlog in cases involving violent crimes and drugs.

Average monthly backlog:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of homicide cases *	16	12	6	2
No. of sexual assaults	19	15	10	5
No. of drug cases	76	76	50	25
Total lab cases	355	325	300	275

Objective: To provide analysis of DWI samples so that impaired drivers can be prosecuted.

Number of samples:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Blood & urine alcohol	5,130	5,200	5,300	5,400
Blood & urine drugs	305	400	450	500
Breath alcohol tests	33,144	35,000	37,000	38,000
Fatality alcohols	214	210	200	200

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 reduction in the 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.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total cases	9,049	9,500	10,000	10,500
DWI alcohol	4,842	5,000	5,100	5,200
Sexual assaults	355	380	400	420
Drugs	1,894	2,000	2,200	2,400
All others	1,958	2,120	2,300	2,480
Expert testimony	270	280	290	300
Breath testing				
Records received	33,144	35,000	36,000	37,000
Officers trained	180	180	200	200
Officers recertified	808	800	800	800

REVENUE:

This activity does not generate revenue.

BUDGET ISSUE:

DNA fingerprinting techniques are in the preliminary stage of development in the BCA forensic laboratory. The techniques offer exciting possibilities to identify an individual based on a drop of blood or semen. The possible implication to the investigation of homicides, rapes and assaults are staggering. Implementation of these techniques into routine case work will require specialized equipment and remodeling.

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION
BUDGET ACTIVITY : CRIM JUST EVID ANAL

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,037	2,399	2,460	0	2,460	2,460	2,460	0	2,460	2,460
EXPENSES/CONTRACTUAL SRVCS	293	318	306	0	306	306	306	0	306	306
MISC OPERATING EXPENSES	86	97	92	0	92	92	92	0	92	92
SUPPLIES/MATERIALS/PARTS	198	192	167	0	167	167	167	0	167	167
CAPITAL EQUIPMENT	365	385	352	0	352	352	352	0	352	352
TOTAL EXPENDITURES	2,979	3,391	3,377	0	3,377	3,377	3,377	0	3,377	3,377
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,902	1,981	2,024	0	2,024	2,024	2,024	0	2,024	2,024
TRUNK HIGHWAY	933	951	969	0	969	969	969	0	969	969
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	397	384	0	384	384	384	0	384	384
FEDERAL	144	62	0	0	0	0	0	0	0	0
TOTAL FINANCING	2,979	3,391	3,377	0	3,377	3,377	3,377	0	3,377	3,377
POSITIONS BY FUND:										
GENERAL	34.0	34.0	34.0	0.0	34.0	34.0	34.0	0.0	34.0	34.0
SPECIAL REVENUE	0.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0
TRUNK HIGHWAY	13.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0
TOTAL POSITIONS	47.0	55.0	55.0	0.0	55.0	55.0	55.0	0.0	55.0	55.0

ACTIVITY: CRIMINAL JUSTICE RECORDS AND COMMUNICATIONS 1990-91 Biennial Budget
Program: CRIMINAL APPREHENSION
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

- * Provide state law enforcement agencies with information and statistical systems necessary to handle and exchange criminal justice data.
- * Compile, maintain and disseminate crime information, statistical data and management reports. Information such as stolen property, missing or wanted persons, vehicle registration, sentencing, etc. are available to local criminal justice agencies and individual law enforcement officers through their police radios.
- * Maintain conversational communications capability among all Minnesota and other states' law enforcement agencies through the state system and the NLETS network link to other states' systems.
- * Maintain the criminal justice records system, which encompasses incident collection, statistical tabulation, uniform crime reporting, case tracking and data analysis report generation.

Statutory Reference: M.S. Chapter 299C.

EFFECTIVENESS MEASURES:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Criminal record requests	40,471	49,871	61,478	75,814
Criminal justice	14,351	17,221	20,665	24,798
Non-criminal justice	26,120	32,650	40,813	51,016
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 (in 000's)	35,758	41,249	49,318	56,319
Number of devices on network:				
Terminals/printers	956	1,000	1,100	1,210
Mobile terminals/printers	350	750	850	1,000
Minicomputers	39	50	75	100
Microcomputers	95	150	200	300

RECENT BUDGET HISTORY:

- * During F.Y.1988, a major change to the message handler was made. Previously the system was operating at capacity and no new devices were added to the network. Devices are being added and agencies are upgrading to minicomputers and adding mobile digital terminals.
- * During F.Y.1987-88, over 1,200 terminal operators were tested and certified as required by the NCIC rules and regulations.
- * The fee for non-criminal justice record requests was raised from \$4.00 to \$5.00 in F.Y. 1988. This fee is returned to the general fund. In F.Y. 1987, receipts totaled \$82,600 and in F.Y. 1988, receipts totaled \$108,700.
- * The automation of interstate identification requests in May, 1987 resulted

in a decrease in the number of manually handled criminal justice requests in F.Y. 1988. Over 16,000 requests are now handled automatically.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of documents processed:				
Fingerprint cards				
Criminal	26,020	28,622	31,484	34,632
Non-criminal	774	813	854	897
Judicial reports	96,941	99,850	102,846	105,931
Court orders	3,057	3,363	3,699	4,069
Hennepin dismissals	500	550	605	666
Custody/supervision	12,664	13,297	13,962	14,660
FBI rap sheets	2,467	2,541	2,617	2,696
Record processing time (days)	3	3	2	2

REVENUE: This activity generates dedicated and non dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non dedicated - General	\$ 273	\$ 468	\$ 486	\$ 508
Dedicated - General	197	77	145	246
Total Revenue	\$ 470	\$ 545	\$ 631	\$ 754

BASE LEVEL REVIEW: A base level review has been completed on this activity. It is a separate submission to the legislature.

BUDGET ISSUES:

1. Criminal justice data network operational costs (see base level review).
2. The current fingerprints identification system (MAFIN) is operating on failure-prone hardware purchased 11 years ago. Technology has far surpassed MAFIN capabilities, thus limiting service to local law enforcement.
3. The computerized criminal history (CCH) system was written in the mid-1970s and is very cumbersome and labor intensive to maintain. There is also a need for CCH to be converted to CICS environment now that the message handler project is completed. The project would include automated interfaces with the department of corrections and SJIS.

BUDGET REQUEST:	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Fingerprint identification system	\$ 3,250	\$ 60

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION
BUDGET ACTIVITY : CRIM JUST RECORDS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	897	806	825	<48>	777	777	825	<48>	777	777
EXPENSES/CONTRACTUAL SRVCS	2,142	2,526	2,728	<33>	2,695	2,695	2,908	27	2,935	2,935
MISC OPERATING EXPENSES	427	361	463	0	463	463	460	0	460	460
SUPPLIES/MATERIALS/PARTS	30	17	7	0	7	7	7	0	7	7
CAPITAL EQUIPMENT	282	81	81	3,250	3,331	3,081	81	0	81	81
STATE OPERATIONS	3,778	3,791	4,104	3,169	7,273	7,023	4,281	<21>	4,260	4,260
LOCAL ASSISTANCE	0	120	27	0	27	27	0	0	0	0
TOTAL EXPENDITURES	3,778	3,911	4,131	3,169	7,300	7,050	4,281	<21>	4,260	4,260
CHANGE REQUESTS: FUND										
A IPO-MANAGEMENT INFORMATION SYSTEM PLAN GEN				<33>		<33>		<33>		<33>
A FUNDING OF INFORMATION SYSTEMS GEN				<48>		<48>		<48>		<48>
B IPO-REPLACEMENT OF MAFIN SYSTEM GEN				3,250		3,000		60		60
TOTAL CHANGE REQUESTS				3,169		2,919		<21>		<21>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,595	3,620	3,946	3,169	7,115	6,865	4,035	<21>	4,014	4,014
STATUTORY APPROPRIATIONS:										
GENERAL	183	91	145	0	145	145	246	0	246	246
FEDERAL	0	200	40	0	40	40	0	0	0	0
TOTAL FINANCING	3,778	3,911	4,131	3,169	7,300	7,050	4,281	<21>	4,260	4,260
POSITIONS BY FUND:										
GENERAL	32.0	28.0	28.0	<1.0>	27.0	27.0	28.0	<1.0>	27.0	27.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION
BUDGET ACTIVITY : CRIM JUST RECORDS

POSITIONS BY FUND:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	32.0	28.0	28.0	<1.0>	27.0	27.0	28.0	<1.0>	27.0	27.0

ACTIVITY: CRIMINAL JUSTICE RECORDS AND COMMUNICATIONS
 PROGRAM: CRIMINAL APPREHENSION
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: REPLACE/UPGRADE FINGERPRINT IDENTIFICATION SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$3,250	-0-	\$ 60	-0-
Governor's Recommendation				
General Fund	\$3,000	-0-	\$ 60	-0-

Request requires statutory change: _____ Yes X No

STATEMENT OF REQUEST/OBJECTIVE:

This request is to upgrade/replace the current automated fingerprint identification network which is in critical condition, and to provide for ongoing maintenance costs. 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 Minnesota automated fingerprint identification network (MAFIN) was established in 1978 to provide Minnesota law enforcement agencies with the ability to positively identify arrestees and other unknown suspects through the computerized examination of fingerprints taken at the time of arrest or recovered at a crime scene. This system was a joint venture involving the bureau of criminal apprehension and the cities of St. Paul and Minneapolis.

Two previous upgrades to the system have occurred. In 1983 and in 1986 specific components were replaced which provide for greater capacity and operating speed. This system serves the entire state law enforcement community through their submission of fingerprint cards on individuals arrested and through the analysis of crime scene evidence to the BCA lab. Minneapolis and St. Paul are connected to the system and they conduct their own evidence processing and searching. With the existing system, searches are very slow, probable matches are missed, the ability to communicate with similar systems in other states does not exist and expansion within Minnesota is impossible. The request will enable the agency to replace the major components of the system, i.e. the main computer processor at the BCA and the remote workstations in St. Paul and Minneapolis with specialized software and hardware to perform automated classification of the fingerprint patterns. It will add the ability to connect with remote "booking" sites in other local jurisdictions and to communicate with other states having similar equipment for cross searching

of their data.
RATIONALE:

The Minnesota automated fingerprint system has performed well over the last 10 years. It has saved many hours of work previously performed by fingerprint technicians, and has provided the ability to search a single fingerprint obtained at a crime scene against a data base of fingerprints obtained from individuals when arrested. This was never possible prior to this system and has resulted in the identification and conviction of many criminal offenders.

Specialized technology needs to be upgraded or replaced on an on-going time frame for the activity to continue to be operational. The current system is old, slow, expensive to maintain, and cannot be further expanded. Several components are inoperable and unable to be repaired. Should it fail, the BCA would have to return to manual processing of fingerprint cards, and searches against the data base of fingerprints obtained at crime scenes would be impossible.

The current system allowed the BCA to process an ever increasing volume of fingerprint cards over the past 10 years without adding personnel. It also was instrumental in identifying numerous criminal offenders during these 10 years, the latest being the individual involved in a parking ramp homicide in Minneapolis. The new system will be even more effective in providing these capabilities. The newer technology will provide an increase in accuracy and will be faster.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 361	\$ 148	\$ 148	\$ 148

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 60	\$ 60	\$ 120

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$250,000 for the MAFIN system.

ACTIVITY: CRIMINAL INVESTIGATION AND ASSISTANCE 1990-91 Biennial Budget
Program: CRIMINAL APPREHENSION
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

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.

Cases involve homicides, drug violations, rapes, robberies and complex crimes such as major thefts, large-scale frauds, drug smuggling, computer crime, video gambling, child pornography, exploitation of children, sophisticated computer and financial crime and criminal acts of hazardous waste violations. 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 in Bemidji and 9 additional field offices.

Statutory Reference: M.S. Chapter 299C.

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. 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. 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. The general crime rate is expected to increase through the 1990's, which will no doubt increase the requests.

REVENUE: This activity generates dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Dedicated-Special	\$ 340	\$ 104	\$ 36	\$ 36

BUDGET ISSUES:

Crime is becoming an increasingly complex issue. The increase in crimes against children, personal assaults, rapes and homicides has been steadily rising since 1984 showing a 23% increase. To combat the complex crime issue, specific strategies have been instituted:

1. On 4-11-88, the BCA formed a separate 8 member investigative team to investigate sex crimes against children. The team is entitled the child abuse and sexual exploitation (CASE) unit. This team will conduct an extensive 1 year assessment of the child abuse problem. The appropriate future role of the BCA in child abuse investigations will be determined at the conclusion of this 1 year project.
2. The illicit drug problem in Minnesota is pervasive. The current law enforcement strategy is to fight the drug problem on the street corner,

thus keeping the street dealer away from playgrounds and schools. The BCA assists local police agencies by providing leadership and coordination to the 33 task forces in existence throughout the state. Six agents have been assigned full time as task force coordinators.

3. Greater narcotics enforcement is needed at the state level to concentrate on major free-wheeling cocaine dealers. BCA agents have statewide jurisdiction which permits surveillances and investigations to cross over jurisdictional boundaries. BCA has the technical resources (cameras, monitoring devices, etc.) to build cases against major dealers, however, the BCA has only limited human resources for working undercover drug cases.

BUDGET REQUEST:	(Dollars in Thousands)			
	F.Y.1988	Positions	F.Y.1991	Positions
Narcotics investigators	\$ 481	8.0	\$ 339	8.0
Equipment	125	-0-	125	-0-

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION
BUDGET ACTIVITY : CRIM INVEST&ASSIST

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,648	3,011	3,163	319	3,482	3,482	3,163	319	3,482	3,482
EXPENSES/CONTRACTUAL SRVCS	481	613	573	0	573	573	573	0	573	573
MISC OPERATING EXPENSES	203	212	206	12	218	218	206	12	218	218
SUPPLIES/MATERIALS/PARTS	156	137	123	8	131	131	123	8	131	131
CAPITAL EQUIPMENT	321	249	82	267	349	274	82	125	207	132

TOTAL EXPENDITURES	3,809	4,222	4,147	606	4,753	4,678	4,147	464	4,611	4,536

CHANGE REQUESTS:										
B NARCOTICS INVESTIGATOR POSITIONS				481		481		339		339
B CRIMINAL INVESTIGATION EQUIPMENT				125		50		125		50

TOTAL CHANGE REQUESTS				606		531		464		389

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
GENERAL	3,475	3,823	4,021	606	4,627	4,552	4,021	464	4,485	4,410
STATUTORY APPROPRIATIONS:										
GENERAL	35	29	10	0	10	10	10	0	10	10
SPECIAL REVENUE	87	186	36	0	36	36	36	0	36	36
FEDERAL	212	184	80	0	80	80	80	0	80	80

TOTAL FINANCING	3,809	4,222	4,147	606	4,753	4,678	4,147	464	4,611	4,536

POSITIONS BY FUND:										

GENERAL	61.0	66.0	66.0	8.0	74.0	74.0	66.0	8.0	74.0	74.0

TOTAL POSITIONS	61.0	66.0	66.0	8.0	74.0	74.0	66.0	8.0	74.0	74.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$150,000.

ACTIVITY: CRIMINAL INVESTIGATION AND ASSISTANCE
 PROGRAM: CRIMINAL APPREHENSION
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: INVESTIGATION EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 125	-0-	\$ 125	-0-
Governor's Recommendation				
General Fund	\$ 50	-0-	\$ 50	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollars for purchase and replacement of investigative equipment. The BCA investigative and narcotics equipment budget needs to be brought up to earlier biennial levels.

DESCRIPTION/BACKGROUND

Since 1981, the BCA investigative and drug enforcement budget has been cut over 300% of its previous levels in order to meet several significant budget crises. Additional funding is necessary to maintain equipment at safe levels and replace items that are no longer serviceable. The equipment is involved in critical drug and other investigations and involves automobiles, radios and raid equipment for the safety of the agents.

RATIONALE:

This equipment budget will give investigators the necessary tools to complete their statutorily mandated duties.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 81	\$ 84	\$ 65	\$ 65

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 125	\$ 125	\$ 250

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

GOVERNOR'S RECOMMENDATION:

ne Governor concurs with the agency's request.

ACTIVITY: CRIMINAL INVESTIGATION AND ASSISTANCE
 PROGRAM: CRIMINAL APPREHENSION
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: NARCOTICS INVESTIGATOR POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 481	8.0	\$ 339	8.0

Governor's Recommendation

General Fund	\$ 481	8.0	\$ 339	8.0
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds and positions to enhance the narcotic investigation activities.

RATIONALE:

Enforcement efforts in the state must address three areas in a coordinated approach: the street dealer, the wholesaler, and the major trafficker. The BCA provides leadership and coordination to 33 state drug enforcement task forces. These task forces are pressuring drug dealers on the streets and referring the larger dealers to the BCA.

This activity conducts investigations in the wholesaler areas but lacks the personnel to conduct the long, complicated investigations into the sophisticated traffickers. These investigations often involve complex analytical strategies necessary for proving conspiracy violations and seizing financial assets. The funding of the additional positions will enable the BCA to address the problem across the entire spectrum of criminal violations from the street level dealers affecting Minnesota communities directly, to the large scale importers involved in an extremely lucrative illegal trade. Swift detection, rapid prosecution and sure punishment are important goals in curbing drug trafficking. The BCA needs the personnel to address this problem in a coordinated manner.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 660	\$ 676	\$ 676	\$ 676

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 339	\$ 339	\$ 678

ACTIVITY: POLICE TRAINING AND DEVELOPMENT 1990-91 Biennial Budget
Program: CRIMINAL APPREHENSION
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

The purpose of this activity is to provide statewide specialized criminal justice training opportunities to licensed peace officers and other criminal justice professionals. The revitalized police training and development section is committed to the following goals:

- * Provide peace officers within the state with the knowledge and skills necessary to serve their respective communities and counties in a professionally accepted manner.
- * Meet, confer and cooperate with other law enforcement training groups within the state in the furtherance of improved training programs and courses for peace officers.
- * Develop and increase the knowledge and specialized skills of bureau personnel to increase their effectiveness to assist other law enforcement agencies.

Statutory Reference: M.S. 626.848, 626.849, and 626.85.

EFFECTIVENESS MEASURES:

This activity serves as the primary training resource for law enforcement agencies located outside the metropolitan area. Approximately 70% of all specialized training courses are provided at locations in greater Minnesota. 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. A sampling of courses are: crimes of sexual violence, juvenile law, interviewing and interrogation, crime scene I and II, and shooting decisions.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Specialized training courses	60	65	70	70
Agencies served	500	500	500	500
Peace officers attending	1,000	1,000	1,000	1,000

RECENT BUDGET HISTORY:

- * The training section has been reorganized into a separate operating unit. Previously, the instructional staff was part of an investigative unit and would carry an investigative workload in addition to instructional duties.
- * High quality specialized management courses are being emphasized along with specialized and advanced training.
- * A \$30 per day tuition fee will be assessed for most course offerings. Recent legislative action allows BCA to charge tuition. Costs of outside faculty will be covered with the expected annual revenue of \$70,000 to \$80,000.
- * Not that the POST board reimbursement program is fully established, suffi-

cient state funds are available to send to local units of government to pay for in-service training. Therefore, tuition costs will not be a hardship to local law enforcement agencies.

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>
Dedicated - Special	\$ 13	\$ 63	\$ 70	\$ 70

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION
BUDGET ACTIVITY : POLICE TRNG & DEVELOPMENT

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	450	332	349	0	349	349	349	0	349	349
EXPENSES/CONTRACTUAL SRVCS	141	165	165	0	165	165	165	0	165	165
MISC OPERATING EXPENSES	71	36	36	0	36	36	36	0	36	36
SUPPLIES/MATERIALS/PARTS	36	28	28	0	28	28	28	0	28	28
CAPITAL EQUIPMENT	14	0	0	0	0	0	0	0	0	0

TOTAL EXPENDITURES	712	561	578	0	578	578	578	0	578	578

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
GENERAL	664	491	508	0	508	508	508	0	508	508
STATUTORY APPROPRIATIONS:										
GENERAL	12	0	0	0	0	0	0	0	0	0
SPECIAL REVENUE	22	65	70	0	70	70	70	0	70	70
FEDERAL	14	5	0	0	0	0	0	0	0	0

TOTAL FINANCING	712	561	578	0	578	578	578	0	578	578

POSITIONS BY FUND:										

GENERAL	13.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0

TOTAL POSITIONS	13.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0

ACTIVITY: CRIMINAL APPREHENSION SUPPORT
Program: CRIMINAL APPREHENSION
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

- * Manage the bureau of criminal apprehension and furnish personnel, training, fiscal, administrative and communications services.
- * Administer the legislative buy fund, the Minnesota crime watch program and grant, and the state and local assistance for narcotics control program grant.
- * Provide long range planning, implement policy, and search for innovative management methods.
- * Serve on the peace officers standards and training board and the private detective board.
- * Maintain daily contact and offer counsel to the sheriffs' association, chiefs of police association, other law enforcement officials, the Minnesota racing commission, and officials in state and local governments.

Statutory Reference: M.S. Chapter 299C.

GRANTS AND AIDS:

1) 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 the 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.

Statistics:	F.Y. 1986-87	F.Y. 1988-89	F.Y. 1990-91
Sheriffs offices participating	58	60	60
Police depts. participating	79	80	80
Amount of money spent	\$ 278,300	\$ 300,000	\$ 310,000
Total persons arrested	1,795	1,800	1,900
Value of narcotics seized	\$ 3,234,000	\$ 5,000,000	\$ 6,000,000
Value of stolen property Recovered	\$ 1,206,000	\$ 1,500,000	\$ 1,500,000

(Dollars in Thousands)

Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 169	\$ 171	\$ 171	\$ 171
Special	-0-	96	96	96
Total	\$ 169	\$ 267	\$ 267	\$ 267

2) Minnesota Crime Prevention Grant:

Statutory Reference: Federal Justice Assistance Act of 1986

Provides federal grants to communities to start up or complement ongoing crime prevention efforts. Programs involved are crime watch, operation I.D., McGruff safe houses, senior citizen security surveys, neighborhood block watch organizations, and educational programs presented to elementary and secondary schools.

Statistics:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Grants issued	33	40	-0-	-0-

(Dollars in Thousands)

Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 172	\$ 159	-0-	-0-

3) State and Local Assistance for Narcotics Control Program Grant:

Statutory Reference: Federal Drug Law 99-570

Provides federal grants to local law enforcement offices for the purpose of improving the identification, apprehension and prosecution of street level drug dealers and users. This is accomplished through the creation of multi-jurisdiction regional task forces which share resources, including personnel, equipment and information. There are 33 local subgrantees and seven state level subgrantees. The state level funding is used to enhance forensic science labs, to train criminal justice personnel in narcotics issues, and to assist local agencies in undercover operations. Federal law requires that all grantees must provide at least 25% of the cash required to operate the project. Grantees receiving more than \$25,000 are required to perform an audit of their operations.

(Dollars in Thousands)

Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Federal	\$ 1,400	\$ 1,138	-0-	-0-

REVENUE: This activity does not generate revenue.

BUDGET REQUEST:

	F.Y. 1990	Positions	F.Y. 1991	Positions
Change in funding source for crime watch				
Trunk Highway Fund	(97)	(1.0)	(97)	(1.0)
General Fund	97	1.0	97	1.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION
BUDGET ACTIVITY : CRIM APPREH SUPPORT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	386	411	422	0	422	422	387	0	387	387
EXPENSES/CONTRACTUAL SRVCS	50	107	107	0	107	107	101	0	101	101
MISC OPERATING EXPENSES	27	48	48	0	48	48	23	0	23	23
SUPPLIES/MATERIALS/PARTS	11	31	31	0	31	31	21	0	21	21
CAPITAL EQUIPMENT	4	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	478	597	608	0	608	608	532	0	532	532
LOCAL ASSISTANCE	1,741	1,564	267	0	267	267	267	0	267	267
TOTAL EXPENDITURES	2,219	2,161	875	0	875	875	799	0	799	799
CHANGE REQUESTS: FUND										
B CHANGE IN FUNDING- CRIME WATCH				97		97		97		97
B CHANGE IN FUNDING- CRIME WATCH				<97>		<97>		<97>		<97>
TOTAL CHANGE REQUESTS				0		0		0		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	615	595	606	97	703	703	606	97	703	703
TRUNK HIGHWAY	0	97	97	<97>	0	0	97	<97>	0	0
STATUTORY APPROPRIATIONS:										
GENERAL	3	0	0	0	0	0	0	0	0	0
SPECIAL REVENUE	0	115	115	0	115	115	96	0	96	96
FEDERAL	1,601	1,354	57	0	57	57	0	0	0	0
TOTAL FINANCING	2,219	2,161	875	0	875	875	799	0	799	799
POSITIONS BY FUND:										
GENERAL	9.0	9.0	9.0	1.0	10.0	10.0	9.0	1.0	10.0	10.0
TRUNK HIGHWAY	0.0	1.0	1.0	<1.0>	0.0	0.0	1.0	<1.0>	0.0	0.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CRIMINAL APPREHENSION
BUDGET ACTIVITY : CRIM APPREH SUPPORT

POSITIONS BY FUND:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	9.0	10.0	10.0	0.0	10.0	10.0	10.0	0.0	10.0	10.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: CRIMINAL APPREHENSION SUPPORT
 PROGRAM: CRIMINAL APPREHENSION
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: CHANGE IN FUNDING, CRIME WATCH

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 97	1.0	\$ 97	1.0
Trunk Highway Fund	(97)	(1.0)	(97)	(1.0)

Governor's Recommendation

General Fund	\$ 97	1.0	\$ 97	1.0
Trunk Highway Fund	(97)	(1.0)	(97)	(1.0)

Request requires statutory change: _____ Yes X No

STATEMENT OF REQUEST/OBJECTIVE:

The crime watch program was previously organized in the departments public information section and funded through trunk highway funds. It has been transferred to the criminal apprehension program. The activity provides crime prevention material to law enforcement agencies, coordinates crime prevention training for police officers, and serves as an information resource for programs such as crime watch, operation I.D., McGruff homes, block watches, and senior citizens security surveys.

RATIONALE:

This reorganization into the BCA will better enable the activity to serve the client law enforcement agencies.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	-0-	-0-	-0-	-0-
Trunk Highway Fund	\$ 94	\$ 97	\$ 97	\$ 97

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund	\$ 97	\$ 97	\$ 194
Trunk Highway Fund	(97)	(97)	(194)

PROGRAM: FIRE MARSHAL
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

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 HISTORY:

Legislation authorizing a Minnesota state fire marshal was first adopted on April 19, 1905. The fire marshal was appointed by the Governor with the consent of the Senate for a two year term. In 1907 two deputy fire marshals were added. In 1913 a state fire marshal department was created. Appointments were made by the Governor until 1919, when the authority was transferred to the commissioner of insurance. This arrangement lasted until 1925, when the commissioner of insurance was made the ex-officio state fire marshal. With the establishment of the department of public safety in 1970, the fire marshal division was placed under the auspices of the commissioner of public safety.

A benchmark development in the division's fire prevention and inspection effort was taken when the 1975 legislature authorized the adoption of the Minnesota uniform fire code (MUFC). It is designed to be compatible with the state building code and serve as a minimum fire code throughout the state. In 1988 a joint adoption of the Minnesota uniform fire code and building code was undertaken. For the first time in the history of Minnesota two closely inter-related building and fire codes were adopted concurrently.

OPERATION:

This program has no direct fire suppression responsibilities. It provides assistance to local fire service, law enforcement and building code officials in the following areas:

- * Fire and arson investigation
- * Fire code enforcement and inspections
- * Fire prevention and public education
- * Data collection and information on fire incidents in Minnesota

BUDGET ISSUES:

1. Day Care. The need for safe, affordable, quality day care is urgent in Minnesota. The state fire marshal division has never been funded to inspect day care and as a result, other statutorily mandated programs have suffered. There are some 10,000 known licensed day care facilities in the state. This number remains fairly constant, but the turnover rate is at least 33% each year. This means that over 3,000 new license requests are generated each year and about 60% of them are handled by this program. Compounding the problem is a proliferation of rules and regulations that affect the day care industry and the growing demand for inspection of adult day care and foster care facilities.

A state fire marshal day care inspection team would serve as a strong building block in the development of more safe, affordable, quality day care for the citizens of Minnesota. Benefits include:

- * Rapid turn around of licensing applications, thereby eliminating two to three month delays.
- * Identification of unlicensed day care activities.
- * Fire safety education of day care providers.
- * A centralized fire and life safety focus dealing with the entire day care issue.
- * Provide a bridge between the day care advocacy groups and other regulatory bodies dealing with fire and life safety and building code issues.

2. Equipment. Prior to 1988 this program had essentially no equipment budget with which to replace, resupply and upgrade vital field inspection and investigation tools. An appropriation last biennium enabled the division to begin a rebuilding program that needs to be continued:

- * Office automation
- * Code reference materials
- * Investigative equipment and devices
- * Inspection and safety equipment
- * Equipment maintenance and replacement

3. Public Fire Education. Nationwide it is becoming evident that fire prevention efforts and public fire safety education are more effective and less costly than a strict fire suppression orientation in reducing loss of life and property. The fire service of Minnesota looks to the state fire marshal as a provider of information about the cause of fires and how to prevent them. Although every employee is involved in public fire education, the division has reached a point where a specialty program is needed to coordinate public fire education efforts:

- * Interpret fire death causes.
- * Edit a fire prevention newsletter.
- * Focal point for national and state fire prevention efforts.
- * Coordinate public information efforts.
- * Provide staff liaison to the newly created burn foundation.
- * Media contact on fire safety and prevention.

In the past four years, 268 people have perished by fire in this state. Many of these fires could have been prevented, if the public was made aware of practices and processes they could use in their daily lives to protect themselves. The state needs a coordinated creative response to fire safety issues to be effective in achieving a reduction in loss of life and property by fire.

EXPLANATION OF BUDGET REQUEST:

This program has 2 CHANGE request items: \$198,000 in F.Y. 1990 and \$190,000 in F.Y. 1991 and 5.0 positions for fire/life safety inspections of day care and foster care facilities. \$10,000 in F.Y. 1990 and 1991 for equipment maintenance, repair and replacement.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : FIRE MARSHAL

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FIRE PREV PROT&INV	1,894	1,971	2,003	208	2,211	2,211	2,003	200	2,203	2,203
B FIRE MARSHAL EQUIPMENT REPLACEMENT				10		10		10		10
B DAY CARE FIRE SAFETY INSPECTION TEAM				198		198		190		190
TOTAL EXPENDITURES	1,894	1,971	2,003	208	2,211	2,211	2,003	200	2,203	2,203
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,726	1,773	1,805	208	2,013	2,013	1,805	200	2,005	2,005
STATUTORY APPROPRIATIONS:										
FEDERAL	168	198	198	0	198	198	198	0	198	198
TOTAL FINANCING	1,894	1,971	2,003	208	2,211	2,211	2,003	200	2,203	2,203
POSITIONS BY FUND:										
GENERAL	41.0	41.0	41.0	5.0	46.0	46.0	41.0	5.0	46.0	46.0
FEDERAL	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
TOTAL POSITIONS	46.0	46.0	46.0	5.0	51.0	51.0	46.0	5.0	51.0	51.0

PURPOSE:

This activity is comprised of 3 distinct functions:

Investigations

This activity investigates the cause, origin, and circumstances of fires upon request of law enforcement and fire officials throughout the state. These investigations are conducted to determine whether the fire was a result of carelessness, accident, or arson. When accidental causes are ruled out, joint investigations are conducted with 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.

Investigations usually are initiated by fire or law enforcement officials when evidence points to a suspicious fire origin or there is a death or serious injury. The final determination may require many hours of effort, including digging through fire remains for clues, interviews, communications, interrogations and preparation for successful legal prosecution. The final successful prosecution of an investigation frequently requires many hours of team effort working with the bureau of criminal apprehension, attorneys, and local and federal authorities.

Inspections

Field staff conduct comprehensive, technical inspections of hotels/motels/-resorts, schools, places of assembly, day care and foster care facilities, hospitals, nursing homes, group homes, correctional facilities, etc., for compliance with the requirements of the Minnesota uniform fire code. This is a minimum statewide code designed to provide a reasonable degree of fire life safety to all citizens. These inspections are often conducted jointly with the local fire authorities. When violations are found, facility owners are informed in writing and given a reasonable time to comply. Copies are furnished to the local fire chief for information and local followup.

Field staff also conduct site visits and provide consultation to building owners/operators, fire officials, architects, engineers, contractors, building inspectors, officials of municipal, county and state agencies, and the general public to address specific problems and general fire/life safety requirements.

Prevention

This activity also provides education and training to the state fire service in fire inspection and investigation procedures. Investigators and inspectors serve as instructors at fire investigation and inspection courses offered throughout the state, including the 40 hour Minnesota uniform fire code (MUFC) refresher course, training in the inspection of day care facilities, state and regional fire schools, and BCA arson courses.

The fire marshal code advisory panel assists field staff and local fire officials in interpreting fire codes and statutes and in enforcement techniques. It evaluates requests from facility owners for variances or time extensions

on existing code deficiencies. The panel recommends appropriate equipment that may be acceptable in meeting the code requirements and corrects violations.

Of primary importance is an on-going fire prevention program by the division. All personnel are dedicated to such promotion and are constantly emphasizing that concept through public education. All requests for fire prevention and public education are given high priority and assigned to individual representatives in the area.

Statutory Reference: M.S. Chapter 299F.

EFFECTIVENESS MEASURES:

A new State Fire Marshal was appointed in March, 1987, after an extensive nationwide search. As a result of this appointment, a forward thinking set of priority goals have been established for the division. These goals include:

- * Office computerization, with particular emphasis on the Minnesota fire incident reporting system. With over 60,000 fire incident reports being submitted each year, computerization becomes an essential priority project.
- * Joint adoption of the uniform fire code and uniform building code. These two codes, designed to complement each other have never before been adopted concurrently or timely in Minnesota. An associated goal would be a closer coordination with the state building code division.
- * Increased level of service to local government including the fire service, law enforcement agencies, the building community and the general public.
- * Greater level of participation in the promulgation of fire/building codes at the national level.
- * Enhancement of the degree of interagency cooperation with the departments of education, corrections, human services, and health, and the federal bureau of alcohol, tobacco and firearms.

REVENUE:

This activity generates non-dedicated revenues.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - General	\$ 6	\$ 6	\$ 6	\$ 6

ACTIVITY: FIRE PREVENTION, PROTECTION, 1990-91 Biennial Budget
 INVESTIGATION (Continuation)
 Program: FIRE MARSHAL
 Agency: PUBLIC SAFETY, DEPARTMENT OF

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Investigations				
Fires investigated by fire marshal staff	579	600	630	662
Fires determined as incendiary	237	252	271	291
Percent of total fires investigated	41	42	43	44
Inspections				
Hotels inspected	165	180	200	200
Motels inspected	365	370	377	385
Foster homes inspected	530	580	609	640
Daycare inspected	2,400	2,450	2,695	2,960
Nursing/boarding care homes inspected	600	750	750	750
Supervised living facilities inspected	610	740	760	780
Hospitals inspected	100	125	125	125
Prevention				
State/sectional fire schools	9	9	9	9
Inservice workshops & seminars	100	125	140	140

(Dollars in Thousands)

BUDGET REQUEST:	F.Y. 1990	Positions	F.Y. 1991	Positions
Equipment	\$ 10	-0-	\$ 10	-0-
Daycare inspection team	198	5.0	190	5.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : FIRE MARSHAL
BUDGET ACTIVITY : FIRE PREV PROT&INV

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,493	1,607	1,639	150	1,789	1,789	1,639	150	1,789	1,789
EXPENSES/CONTRACTUAL SRVCS	93	88	88	3	91	91	88	3	91	91
MISC OPERATING EXPENSES	239	244	244	36	280	280	244	35	279	279
SUPPLIES/MATERIALS/PARTS	25	23	23	5	28	28	23	2	25	25
CAPITAL EQUIPMENT	40	5	5	14	19	19	5	10	15	15
STATE OPERATIONS	1,890	1,967	1,999	208	2,207	2,207	1,999	200	2,199	2,199
LOCAL ASSISTANCE	4	4	4	0	4	4	4	0	4	4
TOTAL EXPENDITURES	1,894	1,971	2,003	208	2,211	2,211	2,003	200	2,203	2,203
CHANGE REQUESTS: FUND										
B FIRE MARSHAL EQUIPMENT REPLACEMENT				10		10		10		10
B DAY CARE FIRE SAFETY INSPECTION TEAM				198		198		190		190
TOTAL CHANGE REQUESTS				208		208		200		200
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,726	1,773	1,805	208	2,013	2,013	1,805	200	2,005	2,005
STATUTORY APPROPRIATIONS:										
FEDERAL	168	198	198	0	198	198	198	0	198	198
TOTAL FINANCING	1,894	1,971	2,003	208	2,211	2,211	2,003	200	2,203	2,203
POSITIONS BY FUND:										
GENERAL	41.0	41.0	41.0	5.0	46.0	46.0	41.0	5.0	46.0	46.0
FEDERAL	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
TOTAL POSITIONS	46.0	46.0	46.0	5.0	51.0	51.0	46.0	5.0	51.0	51.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FIRE PREVENTION, PROTECTION, INVESTIGATION
 PROGRAM: FIRE MARSHAL
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: EQUIPMENT REPLACEMENT AND PURCHASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 10	-0-	\$ 10	-0-
Governor's Recommendation				
General Fund	\$ 10	-0-	\$ 10	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is for funding for replacing and purchasing of inspection, investigation and safety equipment. This request will continue to fund an equipment budget program started in the 1988-89 biennium.

DESCRIPTION/BACKGROUND:

Prior to the 1988-89 biennium, the state fire marshal division had no equipment replacement or purchase program. During that budget cycle, \$5,000 per year was appropriated. This request would build on that appropriation and allow for the purchase of much needed field equipment, office automation, and code enforcement reference materials.

The state fire marshal adopted the 1988 uniform fire code and standards in 1988, thereby creating the need for new reference materials. It would allow for some modest enhancements to the office computerization program commenced in the 1988 budget year, such as additional computer work stations, an emulation board, an optical scanner and additional printers. Items such as better quality tape recorders will add clarity to taped statements by investigators, thereby aiding in transcription by support staff.

Portable electric generators for use on fire scenes will be pilot tested. In many cases fires occur at night and the power to the structure has been rendered inoperable by the effects of the fire or fire service suppression efforts. Up-to-date protective clothing and breathing equipment is necessary to ensure the safety of investigation staff on the scene of a fire. Gas/vapor detectors would assist in a more accurate determination of the presence of accelerants. Inspectors rely on accurate measurements of exit travel for

code enforcement citations. A revolving wheel entitled "Roto-rule" will add accuracy to exit travel distances called out for by the fire code.

An inventory control system has been established for all existing and any new equipment purchased. This computerized program will continue to be used to effectively identify condition, assignment and a replacement schedule for all major pieces of fire marshal equipment.

RATIONALE:

The objective of an equipment replacement and purchasing program is to give the field staff the necessary tools to complete their statutorily mandated tasks. New equipment will facilitate an increase in productivity, thereby allowing a more efficient use of personnel resources in the field. It will also allow for less impact on support staff in the central office by better preparation of fire marshal field activity submittals.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 35	\$ 5	\$ 5	\$ 5

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 10	\$ 10	\$ 20

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: FIRE PREVENTION, PROTECTION, INVESTIGATION
 PROGRAM: FIRE MARSHAL
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: CREATION OF A DAY CARE/FOSTER CARE INSPECTION TEAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 198	5.0	\$ 190	5.0
Governor's Recommendation				
General Fund	\$ 198	5.0	\$ 190	5.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is for funding for the creation of a day care/foster care fire and life safety inspection team, to specialize in the inspection of child and adult day care centers, child and adult foster homes, and family and group day care homes.

The objective of this request is to provide specialists in day care/foster care fire/life safety inspection who are able to develop a significant level of expertise in the complex arena of day care and foster care rules, regulations and statutes. Day care and foster care children, adults, providers, licensors, parents, fire service and the general public would be the benefactors of this team, whose goal it would be to assist in the provision of safe, affordable, quality day care and foster care in the state of Minnesota.

DESCRIPTION/BACKGROUND:

The state fire marshal division has never been funded to inspect any type of day care or foster care facilities. There are some 10,000 licensed day care facilities in the state and a yearly turnover rate of 33%. The history of inspections by the state fire marshal division in day care is outlined below:

DAYCARE INSPECTIONS

YEAR	DAYCARE	FOSTER/GROUP	TOTAL
1980	333	99	432
1981	313	169	482
1982	309	117	426
1983	658	136	794
1984	866	188	1,054
1985	1,645	207	1,852
1986	2,535	377	2,912
1987	2,314	687	3,001
1988 (est.)	2,400	700	3,100

As the chart indicates, the number of inspections increased by 86% one year alone, from 1982 to 1983. As state licensing rules were updated the number of inspections increased by another 33% in 1984, another 76% in 1985 and yet another 57% in 1986. Overall, requests for inspections from local, state and county agencies have increased by over 700% with no corresponding increase in staffing and related resources in the state fire marshal division. This has had a significant negative impact on the performance of other statutorily mandated duties and responsibilities.

At the inception of the program to inspect these types of facilities, local fire department assistance was requested. Initially, 100 fire departments conducted these inspections locally. Over the past few years the number has gone down to less than 30. Part of the reason for local fire department refusals to inspect day care is the proliferation of rules, regulations and statutes dealing with day care inspections and the tremendous turnover rate.

RATIONALE:

There are several benefits to the creation of a day care/foster care fire and life safety inspection team:

- * More timely response to inspection requests. This would eliminate a current 2 - 3 month backlog of new license requests. Various local, county and state government agencies have been strong advocates of the creation of day care opportunities for working parents. These advocates have been encouraging potential providers to enter various day care programs and yet a significant deterrent has been the length of time needed to make inspections.
- * Ability to work with local providers, licensors and parents to expand the current day care programs and meet the ever increasing need. Implied in the performance of the team is a uniformity of inspection which would help to clarify the complexity of rules and regulations.
- * Increase the level of training to providers in basic fire/life safety practices.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 190	\$ 190	\$ 380

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: STATE PATROL
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

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.

OPERATION:

- * The patrolling of the highways activity enforces traffic laws, investigates accidents and renders assistance to motorists and disabled vehicles. Patrolling is done on 930 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 2 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 management division.
- * 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.
- * 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 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.

BUDGET ISSUES:

1. The state patrol has a deficit in its workers' compensation account. The nature of the work in highway patrolling and radio dispatching causes higher than normal work related illness and injuries. The agency is managing this problem and continuously looking for ways to reduce injuries and illnesses; however, legitimate claims must be paid.
2. The state patrol has 70.6 full time equivalent non-complement positions. The intent of non-complement positions is to provide staffing flexibility for temporary or seasonal needs. The 70.6 non-complement positions have evolved from that into permanent full time jobs to fill the ever increasing needs and responsibilities of the state patrol. For example, years ago laborers helped troopers with vehicle weight enforcement. With the expansion of that program a few years ago, laborers were changed to law compliance representatives and are assigned full time to the truck weight activities. It is no longer appropriate for these positions to be non-complement.

EXPLANATION OF BUDGET REQUEST:

Five CHANGE request items are requested for this program. \$575,000 in F.Y. 1990 and \$362,000 in F.Y. 1991 to fund 10.0 trooper positions which were authorized by the 1987 legislature. \$2,995,000 in F.Y. 1990 and \$1,927,000 in F.Y. 1991 and a complement increase of 55.0 positions. \$1,328,000 in F.Y. 1990 and \$1,147,000 in F.Y. 1991 to consolidate the metropolitan radio communications centers with computer assisted dispatching and mobile data terminals. Complement authority in F.Y. 1990 and 1991 to convert 59.3 noncomplement law compliance and 11.3 non-complement clerical positions to permanent complement positions. \$300,000 in F.Y. 1990 and 1991 to fund workers' compensation costs (part of an agency-wide CHANGE request).

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$600,000 for workers' compensation costs. These costs should be funded through salary savings and internal budget reductions.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PATROLLING HIGHWAYS	25,587	26,772	27,618	3,868	31,486	31,186	27,618	2,587	30,205	29,905
A IPO-MANAGEMENT INFORMATIONS SYSTEM PLAN TH				<2>		<2>		<2>		<2>
A FUNDING WORKER'S COMPENSATION COSTS TH				300		0		300		0
B FUNDING OF EXISTING TEN TROOPER TH POSITIONS				575		575		362		362
B INCREASE OF FIFTY TROOPER POSITIONS FIVE TH CLERICAL				2,995		2,995		1,927		1,927
RADIO COMMUNICATIONS	3,133	3,350	3,431	1,328	4,759	4,759	3,431	1,147	4,578	4,578
B IPO-RADIO SYSTEM CONSOLIDATION AND TH MODERNIZATION				1,328		1,328		1,147		1,147
AIR PATROLLING	931	921	947	0	947	947	947	0	947	947
COMMERCIAL VEH ENF	4,687	5,023	5,106	0	5,106	5,106	5,106	0	5,106	5,106
STATE PATROL TRNG	461	596	600	0	600	600	600	0	600	600
TRAFFIC SAFETY EDUC	467	526	535	0	535	535	535	0	535	535
STATE PATROL SUPPORT	818	830	839	0	839	839	839	0	839	839
TOTAL EXPENDITURES	36,084	38,018	39,076	5,196	44,272	43,972	39,076	3,734	42,810	42,510
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	34,620	35,827	36,885	5,196	42,081	41,781	36,885	3,734	40,619	40,319
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1	0	0	0	0	0	0	0	0	0
TRUNK HIGHWAY	1	650	650	0	650	650	650	0	650	650
FEDERAL	1,462	1,541	1,541	0	1,541	1,541	1,541	0	1,541	1,541
TOTAL FINANCING	36,084	38,018	39,076	5,196	44,272	43,972	39,076	3,734	42,810	42,510
POSITIONS BY FUND:										
TRUNK HIGHWAY	629.0	639.0	639.0	125.6	764.6	764.6	639.0	125.6	764.6	764.6
FEDERAL	15.0	15.0	15.0	0.0	15.0	15.0	15.0	0.0	15.0	15.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	644.0	654.0	654.0	125.6	779.6	779.6	654.0	125.6	779.6	779.6

ACTIVITY:

PROGRAM: STATE PATROL
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: CONVERT NON-COMPLEMENT POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ -0-	70.6	\$ -0-	70.6

Governor's Recommendation

Trunk Highway Fund	\$ -0-	70.6	\$ -0-	70.6
--------------------	--------	------	--------	------

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency seeks to convert 70.6 f.t.e. non-complement clerical and law compliance representative positions to complement positions.

DESCRIPTION/BACKGROUND:

There are 59.3 law compliance representatives (LCR I) and 11.3 (full time equivalent) permanent part time clerical employees in non-complement positions. Non-complement funding is intended to be used for seasonal and temporary workers. The LCR I jobs were originally seasonal laborers. Over the years, as the work load and job requirements changed, these positions have become full time permanent jobs. The clerical positions, although part time, are not seasonal. They are permanent half time positions in the patrol district offices.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 1,457	\$ 1,471	\$ 1,523	\$ 1,523

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ -0-	\$ -0-	\$ -0-

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: PATROLLING HIGHWAYS 1990-91 Biennial Budget
 Program: STATE PATROL
 Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE

* Provide law enforcement and emergency services on 11,243 miles of state trunk highway and 930 miles of interstate highway.

* Provide assistance to other law enforcement agencies upon request.

Statutory Reference: M.S. chapters 169 and 299D.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fatal crash rate per 100 million miles	1.53	1.45	1.50	1.50
DWI arrests	7,000	7,100	7,000	7,000
Motorist compliance to 55 MPH speed limit	49.7%	49%	50%	50%
Front seat passengers complying with mandatory seat belt law	31%	47%	65%	70%

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Registered motor vehicles (millions)	4.02	4.08	4.10	4.12
Licensed drivers (millions)	3.10	3.13	3.16	3.19
Motorist/pedestrian contacts	722,683	723,000	724,000	725,000
Speeding citations issued	113,956	115,000	116,000	117,000
Accidents attended	17,852	18,000	18,300	18,500
Motorist aids	104,935	105,000	106,000	107,000
Percent of time patrolling	55%	55%	55%	55%
Patrolling hours	533,787	554,000	554,000	554,000
Total hours	1,001,595	1,002,000	1,002,000	1,002,000

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-ded. - Trunk Highway	\$ 5,128	\$ 5,284	\$ 5,284	\$ 5,284
Non-ded. - Special Revenue	-0-	225	225	225
Total Revenue	\$ 5,128	\$ 5,509	\$ 5,509	\$ 5,509

This activity will generate an estimated \$367,000 in seat belt fines in F.Y. 1989, 1990, and 1991. \$225,000 of the estimated collections is to be credited to the emergency medical relief account.

BUDGET ISSUES:

1. In 1987, the legislature transferred jurisdiction of county highways 62 and 18 in Hennepin county to the state and approved 10 additional trooper positions to patrol those high accident high volume roads with the understanding that funding would be provided in the F.Y. 1990-91 budget. These positions were not funded. The state patrol has made limited use

of the positions to manage retirement turnover with recent graduates of trooper candidate school. However, without full funding, these positions will not be able to be used for their intended purpose of staffing these newly acquired roads.

2. The state patrol has not had a significant increase in trooper positions since 1967. In that period of time vehicle miles driven, registered vehicles, and licensed drivers have each increased by almost double. Trooper strength on the roads has actually decreased due to such added responsibilities as vehicle weight enforcement and additional miles of roadways under state jurisdiction. There is no nationally accepted formula for determining trooper strength; however, these measures indicate that state patrol complement has not kept pace with the growing volume of traffic and the needs created by those increases.

<u>BUDGET REQUEST:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1990</u>	<u>Positions</u>	<u>F.Y. 1991</u>	<u>Positions</u>
Fund 10 trooper positions	\$ 575	-0-	\$ 362	-0-
Increase complement	2,995	55.0	1,927	55.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : PATROLLING HIGHWAYS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	19,832	20,458	21,303	2,267	23,570	23,270	21,303	2,267	23,570	23,270
EXPENSES/CONTRACTUAL SRVCS	1,434	1,501	1,440	97	1,537	1,537	1,440	84	1,524	1,524
MISC OPERATING EXPENSES	253	366	376	0	376	376	376	0	376	376
SUPPLIES/MATERIALS/PARTS	1,570	1,933	1,985	504	2,489	2,489	1,985	236	2,221	2,221
CAPITAL EQUIPMENT	2,498	2,514	2,514	1,000	3,514	3,514	2,514	0	2,514	2,514
TOTAL EXPENDITURES	25,587	26,772	27,618	3,868	31,486	31,186	27,618	2,587	30,205	29,905
CHANGE REQUESTS: FUND										
A IPO-MANAGEMENT INFORMATIONS SYSTEM PLAN TH				<2>		<2>		<2>		<2>
A FUNDING WORKER'S COMPENSATION COSTS TH				300		0		300		0
B FUNDING OF EXISTING TEN TROOPER TH POSITIONS				575		575		362		362
B INCREASE OF FIFTY TROOPER POSITIONS FIVE TH CLERICAL				2,995		2,995		1,927		1,927
TOTAL CHANGE REQUESTS				3,868		3,568		2,587		2,287
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	25,028	25,614	26,460	3,868	30,328	30,028	26,460	2,587	29,047	28,747
STATUTORY APPROPRIATIONS:										
TRUNK HIGHWAY	1	650	650	0	650	650	650	0	650	650
FEDERAL	558	508	508	0	508	508	508	0	508	508
TOTAL FINANCING	25,587	26,772	27,618	3,868	31,486	31,186	27,618	2,587	30,205	29,905
POSITIONS BY FUND:										
TRUNK HIGHWAY	462.0	472.0	472.0	66.3	538.3	538.3	472.0	66.3	538.3	538.3
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : PATROLLING HIGHWAYS

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	463.0	473.0	473.0	66.3	539.3	539.3	473.0	66.3	539.3	539.3

CHANGE JEST 1990-91 Biennial Budget
 Agency Program X Activity

ACTIVITY: PATROLLING HIGHWAYS
PROGRAM: STATE PATROL
AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: FUNDING FOR TEN TROOPER POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 575	-0-	\$ 362	-0-

Governor's Recommendation

Trunk Highway Fund	\$ 575	-0-	\$ 362	-0-
--------------------	--------	-----	--------	-----

Request requires statutory change: Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests this appropriation to fund 10 state trooper positions authorized by the 1987 legislature.

DESCRIPTION/BACKGROUND:

The 1987 legislature transferred ownership of 30 miles of urban freeway from Hennepin county to the state of Minnesota. These roadways are the highway 62 crosstown freeway and highway 18 running north and south through the western section of Hennepin county. They are 2 of the busiest roads in the state and have high rates of accidents. In conjunction with the transfer of jurisdiction, the 1987 legislature authorized a trooper complement increase of 10 positions specifically to patrol these highways. These positions were not funded at that time.

RATIONALE:

The patrol has been able to use a few of these positions to maintain trooper road complement by hiring graduated trooper candidates prior to anticipated retirements. However, these positions were intended to provide full time law enforcement services on highways 18 and 62. In order to do this, the positions must be fully funded.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 25,028	\$ 25,641	\$ 26,460	\$ 26,460

JNG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Tot
Trunk Highway Fund	\$ 362	\$ 362	\$ 724

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PATROLLING HIGHWAYS
 PROGRAM: STATE PATROL
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: COMPLEMENT INCREASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$2,995	55.0	\$1,927	55.0
Governor's Recommendation				
Trunk Highway Fund	\$2,995	55.0	\$1,927	55.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The patrolling highways activity requests the above positions and funding to increase the state patrol complement by 50 troopers and 5 clerical positions. This increase is necessary to provide better law enforcement services on Minnesota highways especially outside the metropolitan area. The goal is to provide coverage in all districts from 7 a.m. to midnight (2 a.m. weekends) and 24 hour coverage in certain high traffic areas.

DESCRIPTION/BACKGROUND:

The state patrol's primary responsibility is to provide traffic law enforcement and emergency services on over 11,000 miles of the state trunk highway system and 930 miles of interstate freeways in Minnesota. The present authorized strength of troopers is 521. With the exception of a 10 trooper increase in 1987 to patrol 2 county highways now under state jurisdiction, the agency has not had a significant increase in complement since 1971. By comparison, state highway patrolling agencies nationwide have experienced an average increase of 9% over the past 10 years.

Of the total complement of 521, 346 are assigned to rural patrol districts. The metro area strength of 175 includes the training academy, central office, Governor's security and commercial vehicle enforcement. Patrolling strength on the highways in greater Minnesota is 286 plus 23 lieutenants who spend part of their time on road duties. At this level, many areas of the state are unpatrolled during evening and late night hours.

As the statistics below indicate, licensed drivers, registered vehicles and vehicle miles driven in Minnesota have nearly doubled since 1971, while the number of troopers has remained relatively unchanged. Actual trooper strength on the highways has decreased over the years with the addition on non-highway responsibilities. For example, 21 troopers are assigned to the commercial vehicle enforcement unit, further hampering the patrol's ability to provide adequate motorist services. Also, new freeway construction in the metropolitan area including I-610, I-394, I-35E and the high occupancy vehicle lanes have stretched staffing assignments both in and out of the

metro area.

Troopers presently prepare their own written reports of accidents, incidents and arrests. This is a time consuming but necessary duty which diminishes their ability to patrol highways. Recently several telephone recording machines were purchased to allow troopers to call in their reports for typing by clerical support personnel. This practice has worked well as a pilot project in 2 districts, however clerical strength is not sufficient in other districts to implement this statewide.

STATISTICS:	F.Y. 1971	F.Y. 1987	Percent Change
Total number of troopers	504	521	3%
Vehicle miles driven (billion)	23.4	35.1	50%
Troopers per billion miles driven	21.5	14.8	-31%
Registered vehicles (millions)	2.3	3.9	70%
Troopers per 100,000 vehicles	21.9	13.4	-39%
Licensed drivers (millions)	2.3	3.1	35%
Troopers per 100,000 licensed drivers	21.9	16.8	-23%

RATIONALE:

By any measurement, the state patrol has not kept pace with the growing volume of traffic and the needs created by that increase. Several models of trooper allocation obtained from other states have been evaluated and they all indicate that Minnesota has a shortage of troopers available for assignment when compared with other states using similar criteria. Northwestern university is in the process of a study attempting to develop a formula that states can use to determine levels of highway patrol staffing.

Numbers of vehicles, drivers and miles traveled will continue to increase. Speed limits are increasing especially on rural trunk highways. These are the most dangerous highways in the state claiming the majority of traffic fatalities each year. Patrolling time on Minnesota highways will continue to decline without additional personnel, with a corresponding loss of service. Congestion and accidents will increase and response times to emergencies will increase. Additional troopers are necessary to allow the state patrol to continue to provide quality service to the users of Minnesota highways.

Additional clerical positions are required to support the increased workload associated with more troopers and to expand into all districts the successful pilot project of transcribing troopers' field reports.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 25,028	\$ 25,614	\$ 26,460	\$ 26,460

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 1,927	\$ 1,927	\$ 3,854

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : RADIO COMMUNICATIONS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,253	2,267	2,348	0	2,348	2,348	2,348	0	2,348	2,348
EXPENSES/CONTRACTUAL SRVCS	674	684	684	0	684	684	684	89	773	773
MISC OPERATING EXPENSES	21	42	42	0	42	42	42	0	42	42
SUPPLIES/MATERIALS/PARTS	23	28	28	0	28	28	28	0	28	28
CAPITAL EQUIPMENT	162	329	329	1,328	1,657	1,657	329	1,058	1,387	1,387
TOTAL EXPENDITURES	3,133	3,350	3,431	1,328	4,759	4,759	3,431	1,147	4,578	4,578
CHANGE REQUESTS: FUND										
B IPO-RADIO SYSTEM CONSOLIDATION AND TH MODERNIZATION				1,328		1,328		1,147		1,147
TOTAL CHANGE REQUESTS				1,328		1,328		1,147		1,147
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	3,132	3,350	3,431	1,328	4,759	4,759	3,431	1,147	4,578	4,578
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	3,133	3,350	3,431	1,328	4,759	4,759	3,431	1,147	4,578	4,578
POSITIONS BY FUND:										
TRUNK HIGHWAY	62.0	62.0	62.0	0.0	62.0	62.0	62.0	0.0	62.0	62.0
TOTAL POSITIONS	62.0	62.0	62.0	0.0	62.0	62.0	62.0	0.0	62.0	62.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: RADIO COMMUNICATIONS
 PROGRAM: STATE PATROL
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: RADIO SYSTEM CONSOLIDATION AND MODERNIZATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$1,328	-0-	\$1,147	-0-
Governor's Recommendation				
Trunk Highway Fund	\$1,328	-0-	\$1,147	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The above funds are requested to consolidate the 2 metropolitan area radio communications centers utilizing computer aided dispatch and mobile data terminal technology. The objective is to provide 1 modern dispatch center for the entire metropolitan area and eliminate the 2 present centers. 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:

Currently, the metropolitan area state patrol radio communications system consists of 2 dispatch centers located in Golden Valley and Oakdale. Each center is operated 24 hours per day, 365 days per year by a staff of 1 supervisor and 7 dispatchers. Together they serve 327 mobile units of the state patrol, bureau of criminal apprehension, emergency management division, department of natural resources, department of transportation, department of health and the attorney general's office. Various mobile units and base stations of local and federal law enforcement agencies are also served by the facilities. The present communications consoles must be replaced in any event, due to increasing maintenance costs and frequent breakdowns associated with their age.

These 2 centers serve an area that contains more than half the state's population, licensed drivers and registered vehicles. They face an extremely heavy workload which has been increasing steadily over the last several years. Additional operators have been employed in an effort to handle this increase. It is no longer feasible to add staff since the present communication system is out of date. It relies heavily on the memories of individual operators to ensure safety of system users. This creates a very stressful environment contributing to high employee turnover and low morale.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Data base inquiries: 1985 = 106,396	107,034	110,000	111,000	112,000
Initial complaint reports	30,604	36,000	37,000	38,000
Radio calls	668,000	675,500	678,500	681,500
Dispatchers	16	16	16	16
Troopers served	160	160	160	160
Mobile units Served:	327	350	350	350

RATIONALE:

Consolidation of 2 centers into 1 will minimize costs, improve service to all users, improve officer safety and reduce dispatcher stress and turnover. Computer aided dispatching employs a computer software, written to specific user needs, to assist the dispatcher in handling all possible incidents. Mobile data terminals in patrol cars allow the officer to query various computer data banks without having to go through the dispatch center to do so. These features will give troopers necessary information in a more timely manner and allow dispatchers to more efficiently handle present and future workload increases.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 162	\$ 329	\$ 329	\$ 329

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
Trunk Highway Fund	\$ 149	\$ 149	\$ 298

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: AIR PATROLLING
Program: STATE PATROL
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

- * Operate 3 helicopters and 6 fixed wing aircraft out of St. Paul, Mankato, Cloquet, and Bemidji.
- * Support the patrolling and commercial vehicle enforcement activities in traffic law enforcement.
- * Provides assistance to local, state, county or federal law enforcement agencies.

Statutory Reference: Laws of 1983 Chapter 293 Section 6 and 299D.03.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Traffic arrests and warnings	19,467	20,000	20,500	21,000
Searchs	170	175	180	185
Emergency transports	75	75	75	75
Surveillance assistance	57	65	70	75
Photography flights	82	85	90	95

REVENUE:

This activity does not generate revenue.

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : AIR PATROLLING

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	595	560	586	0	586	586	586	0	586	586
EXPENSES/CONTRACTUAL SRVCS	136	146	146	0	146	146	146	0	146	146
MISC OPERATING EXPENSES	12	15	15	0	15	15	15	0	15	15
SUPPLIES/MATERIALS/PARTS	139	125	125	0	125	125	125	0	125	125
CAPITAL EQUIPMENT	49	75	75	0	75	75	75	0	75	75

TOTAL EXPENDITURES	931	921	947	0	947	947	947	0	947	947

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	931	921	947	0	947	947	947	0	947	947

TOTAL FINANCING	931	921	947	0	947	947	947	0	947	947

POSITIONS BY FUND:										

TRUNK HIGHWAY	12.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0

TOTAL POSITIONS	12.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0

ACTIVITY: COMMERCIAL VEHICLE ENFORCEMENT 1990-91 Biennial Budget
Program: STATE PATROL
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

The purpose of this activity is to reduce roadway damage and accidents involving commercial vehicles due to unsafe vehicle equipment, illegal size, weight or load or unqualified drivers.

- * Enforce Laws, rules and regulations governing commercial vehicle use of the interstate and trunk highways.
- * Operate 8 fixed scales and 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 St. Croix (I-94). They are operated on a regular basis with permanent staff. Three additional fixed scales at Moorhead, Anoka and Winona are operated as needed with no regular staff assigned to them.
- * Enforce the bill of lading law to determine weight violations.
- * Operate a federally funded project specifically aimed at improving the safe mechanical condition of commercial vehicles.
- * Annually inspect school buses and inspect vehicles with wheelchair securement devices.

Statutory References: M.S. 299D.03, subdivision 1, 299D.06 and chapter 169.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of truck and bus accidents	6,896	6,900	6,900	6,900
<u>STATISTICS:</u>				
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Trucks weighed	1,175,152	1,175,500	1,176,000	1,176,500
Citations issued	17,456	17,500	17,600	17,700
Number of fixed scale sites	9	9	9	9
Number of civil weight cases	419	430	440	450
School bus inspections	11,238	11,300	11,400	11,500
Commercial vehicle inspections	27,400	27,500	27,600	27,700

REVENUE: This activity generates non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-ded. - Highway User	\$ 713	\$ 600	\$ 600	\$ 600

BUDGET REQUEST: This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : COMMERCIAL VEH ENF

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	3,806	4,011	4,093	0	4,093	4,093	4,093	0	4,093	4,093
EXPENSES/CONTRACTUAL SRVCS	219	220	221	0	221	221	221	0	221	221
MISC OPERATING EXPENSES	92	105	105	0	105	105	105	0	105	105
SUPPLIES/MATERIALS/PARTS	144	197	197	0	197	197	197	0	197	197
CAPITAL EQUIPMENT	148	36	36	0	36	36	36	0	36	36
NON-EXPENSE DISBURSEMENTS	2	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	4,411	4,569	4,652	0	4,652	4,652	4,652	0	4,652	4,652
LOCAL ASSISTANCE	276	454	454	0	454	454	454	0	454	454
TOTAL EXPENDITURES	4,687	5,023	5,106	0	5,106	5,106	5,106	0	5,106	5,106
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	3,825	4,046	4,129	0	4,129	4,129	4,129	0	4,129	4,129
STATUTORY APPROPRIATIONS:										
FEDERAL	862	977	977	0	977	977	977	0	977	977
TOTAL FINANCING	4,687	5,023	5,106	0	5,106	5,106	5,106	0	5,106	5,106
POSITIONS BY FUND:										
TRUNK HIGHWAY	60.0	60.0	60.0	59.3	119.3	119.3	60.0	59.3	119.3	119.3
FEDERAL	14.0	14.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0
TOTAL POSITIONS	74.0	74.0	74.0	59.3	133.3	133.3	74.0	59.3	133.3	133.3

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : STATE PATROL TRNG

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	316	356	360	0	360	360	360	0	360	360
EXPENSES/CONTRACTUAL SRVCS	66	141	141	0	141	141	141	0	141	141
MISC OPERATING EXPENSES	45	65	65	0	65	65	65	0	65	65
SUPPLIES/MATERIALS/PARTS	16	20	20	0	20	20	20	0	20	20
CAPITAL EQUIPMENT	18	14	14	0	14	14	14	0	14	14
TOTAL EXPENDITURES	461	596	600	0	600	600	600	0	600	600
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	419	540	544	0	544	544	544	0	544	544
STATUTORY APPROPRIATIONS:										
FEDERAL	42	56	56	0	56	56	56	0	56	56
TOTAL FINANCING	461	596	600	0	600	600	600	0	600	600
POSITIONS BY FUND:										
TRUNK HIGHWAY	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
TOTAL POSITIONS	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0

ACTIVITY: TRAFFIC SAFETY EDUCATION
Program: STATE PATROL
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

- * Develop and conduct traffic safety programs for elementary and secondary students and for adult groups in the public and private sectors.
- * Develop and present exhibits at public gatherings such as county and state fairs and appear before civic and other similar groups. Use mass media to transmit their safety messages.

Statutory Reference: M.S. Chapters 169 and 299D.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of presentations	5,800	6,000	6,000	6,000
Hours in the presentations	6,200	6,500	6,500	6,500
Participants:				
School bus safety	125,000	125,000	125,000	125,000
Speed and alcohol	43,000	45,000	45,000	46,000
Defensive driving courses	16,000	17,000	17,000	17,500
Bicycle safety	76,000	78,000	78,000	79,000
Pedestrian safety	128,000	130,000	130,000	130,000

REVENUE:

This activity does not generate revenue.

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : TRAFFIC SAFETY EDUC

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	439	479	488	0	488	488	488	0	488	488
EXPENSES/CONTRACTUAL SRVCS	3	18	18	0	18	18	18	0	18	18
MISC OPERATING EXPENSES	6	8	8	0	8	8	8	0	8	8
SUPPLIES/MATERIALS/PARTS	17	21	21	0	21	21	21	0	21	21
CAPITAL EQUIPMENT	2	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	467	526	535	0	535	535	535	0	535	535
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	467	526	535	0	535	535	535	0	535	535
TOTAL FINANCING	467	526	535	0	535	535	535	0	535	535
POSITIONS BY FUND:										
TRUNK HIGHWAY	11.0	11.0	11.0	0.0	11.0	11.0	11.0	0.0	11.0	11.0
TOTAL POSITIONS	11.0	11.0	11.0	0.0	11.0	11.0	11.0	0.0	11.0	11.0

ACTIVITY: STATE PATROL SUPPORT
Program: STATE PATROL
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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. Its responsibilities include the following:

- * Manage all activities of the state patrol, furnish personnel, fiscal, administrative, equipment, supplies, and communications services to field personnel.
- * Provide uniform and coordinated administrative and management support to the state patrol.
- * Provide guidance and direction to patrol managers and supervisors so that operational uniformity can be attained.
- * Maintain 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.
- * Develop and administer 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.

Statutory Reference: 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.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Size of fleet maintained	595	600	600	600
Prepare and distribute directives for troopers and supervisors (number per year)	195	189	190	190
Equipment items evaluated	31	32	32	32
Number of federal projects administered	5	5	5	5
Federal funds in these projects (000's)	\$ 1,462	\$ 1,541	\$ 1,541	\$ 1,541

REVENUE:

This activity does not generate revenue.

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : STATE PATROL
BUDGET ACTIVITY : STATE PATROL SUPPORT

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	647	642	651	0	651	651	651	0	651	651
EXPENSES/CONTRACTUAL SRVCS	63	94	94	0	94	94	94	0	94	94
MISC OPERATING EXPENSES	79	51	51	0	51	51	51	0	51	51
SUPPLIES/MATERIALS/PARTS	29	43	43	0	43	43	43	0	43	43
TOTAL EXPENDITURES	818	830	839	0	839	839	839	0	839	839
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	818	830	839	0	839	839	839	0	839	839
TOTAL FINANCING	818	830	839	0	839	839	839	0	839	839
POSITIONS BY FUND:										
TRUNK HIGHWAY	16.0	16.0	16.0	0.0	16.0	16.0	16.0	0.0	16.0	16.0
TOTAL POSITIONS	16.0	16.0	16.0	0.0	16.0	16.0	16.0	0.0	16.0	16.0

PROGRAM: CAPITOL SECURITY
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The mission of the capitol security division is the maintenance of safety for all persons and property within the capitol complex through education, regulation, prevention and enforcement.

OPERATION:

- * Provide security and emergency services to over 5,000 state employees and thousands of visitors who conduct business on the capitol complex.
- * Protect assets and individuals within 35 state owned or leased buildings, 32 parking lots, 4 parking ramps, 5 capitol park areas, the governor's residence and future judicial and history center facilities.
- * Prevent disruptive, dangerous or criminal activity, and control or contain it when it occurs.
- * Provide educational services to state employees consisting of crime prevention, building emergency evacuation drills, C.P.R. and first aid training.
- * Provide all necessary security to the Governor, lieutenant Governor, members of the legislature during session and visiting prominent dignitaries.
- * Provide security consultation, planning and recommendations to new state construction or remodeling projects.

BUDGET ISSUES:

1. With the increase of department of administration approved capitol events, the capitol complex security activity is finding it increasingly difficult to provide the staffing necessary to monitor and control such events to avoid the disruption of governmental activity. In addition, with the completion of the Minnesota judicial center, assigned security personnel will be required to maintain the decorum necessary to conduct business especially in the workers compensation and tax courts. Thirdly, several building and parking facilities remain vulnerable during the evening and early morning hours due to a lack of security resources to closely monitor activities.
2. The 1.18 miles of capitol complex tunnels are virtually unmonitored and susceptible to criminal incidents. This passage system contains long isolated stretches primarily between the centennial office building, veteran's service and transportation buildings. This pathway is the most remote and vulnerable to security incidents due to the distances from building to building, unmonitored points of exit, lower levels of pedestrian traffic and proximity to downtown St. Paul.
3. With the existing and planned expansion of the closed circuit television (C.C.T.V.) surveillance system within the capitol complex, appropriate control and monitoring equipment is necessary. Security/communications systems monitors must have the capability of isolating or recording any

alarms transmitted by any one of 74 C.C.T.V. cameras and communicating with individuals in distress. A surveillance control center integrated within capitol security's communications center will allow this capability and prompt dispatching of security personnel. Failure to provide this capability could lead to increased risk of assault, illegal entry, or theft in non-C.C.T.V. monitored areas, increased physical plant damage due to delays in recognizing alarms and inability to handle telephone or radio traffic promptly.

4. The current tasks performed by communication personnel consist of monitoring over 2,500 security/fire/environment sensors, responding to 5,000 telephone inquiries and 225 parking complaints a month, monitoring C.C.T.V. cameras, responding to the national guard/emergency management N.A.W.A.S and the capitol complex emergency calls phone number, and dispatching capitol security guards and legislative protection troopers to events.

EXPLANATION OF BUDGET REQUEST:

Three CHANGE request items are requested for this program. \$50,000 in F.Y. 1990 and \$45,000 in F.Y. 1991 for tunnel surveillance monitoring equipment. \$151,000 and 7.0 positions in F.Y. 1990 and 1991 to increase the complement of security guards. \$195,000 in F.Y. 1990 and \$45,000 in F.Y. 1991 and 2.0 positions to provide for communications system monitor positions and equipment.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$290,000 for security guard positions. Rather than the 7.0 requested positions, the Governor recommends 2.0 positions the first year and 4.0 positions the second year.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CAPITOL SECURITY

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
EXECUTIVE PROTECTION	358	336	359	0	359	359	359	0	359	359
CAP COMPLEX SECURITY	959	992	1,088	396	1,484	1,376	1,088	241	1,329	1,235
B TUNNEL SURVEILLANCE SYSTEM				50		50		45		45
B SECURITY/COMMUNICATION SYSTEMS MONITORS				195		195		45		45
B INCREASE IN SECURITY GUARD COMPLEMENT				151		43		151		57
TOTAL EXPENDITURES	1,317	1,328	1,447	396	1,843	1,735	1,447	241	1,688	1,594
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,317	1,328	1,447	396	1,843	1,735	1,447	241	1,688	1,594
TOTAL FINANCING	1,317	1,328	1,447	396	1,843	1,735	1,447	241	1,688	1,594
POSITIONS BY FUND:										
GENERAL	40.0	40.0	40.0	9.0	49.0	44.0	40.0	9.0	49.0	46.0
TOTAL POSITIONS	40.0	40.0	40.0	9.0	49.0	44.0	40.0	9.0	49.0	46.0

ACTIVITY: EXECUTIVE PROTECTION
Program: CAPITOL SECURITY
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

This activity exists to provide protection and to prevent acts of violence directed against the Governor and his family, and to investigate all threats against the Governor and his family.

Six troopers are assigned to this activity and provide 24 hour protection for the Governor at his residence, as well as providing protection for the Governor at other locations within the state. One trooper is assigned for personal protection and aid to the Governor to the extent and manner determined by the Governor.

Statutory Reference: M.S. 299D.03, subdivision 1, paragraph 10.

EFFECTIVENESS MEASURES:

- * The Governor and his family remain unharmed by hostile actions of others.
- * The Governor's residence remains secure from intrusion.
- * Visitors to the Governor's residence are screened by executive protection staff.
- * All threats and suspicious persons are investigated.

REVENUE:

This activity does not generate revenue.

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CAPITOL SECURITY
BUDGET ACTIVITY : EXECUTIVE PROTECTION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	310	298	321	0	321	321	321	0	321	321
EXPENSES/CONTRACTUAL SRVCS	5	10	10	0	10	10	10	0	10	10
MISC OPERATING EXPENSES	10	13	13	0	13	13	13	0	13	13
SUPPLIES/MATERIALS/PARTS	5	15	15	0	15	15	15	0	15	15
CAPITAL EQUIPMENT	28	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	358	336	359	0	359	359	359	0	359	359
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	358	336	359	0	359	359	359	0	359	359
TOTAL FINANCING	358	336	359	0	359	359	359	0	359	359
POSITIONS BY FUND:										
GENERAL	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
TOTAL POSITIONS	6.0	6.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0

ACTIVITY: CAPITOL COMPLEX SECURITY
Program: CAPITOL SECURITY
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The capitol complex security activity provides a comprehensive program of services to employees and visitors within its area of jurisdiction consisting of communications/alarm monitoring and preventing disastrous situations.

The security/communications systems monitors (S/CSM) provide 24 hour emergency response capabilities in addition to:

- * Monitoring the department of administration's automated building control systems consisting of nearly 2,500 fire, security and environmental devices. These units have been installed in most capitol area buildings as well as in several historic sites. Any plant mechanical malfunctions, security alarms or fires are immediately identified and appropriate responders notified.
- * Providing communication support services to the division of emergency management, national guard and the national air warning system.
- * Monitoring the C.C.T.V. cameras, responding to over 5,000 telephone inquiries per month (250 estimated to be of the 911 nature), and programming the electronic key card entry system.

Prevention efforts are conducted by capitol complex security officers who regularly patrol all buildings, offices, parking facilities and campus grounds. Activities accomplished consist of:

- * Securing or accessing buildings.
- * Screening after business hour entries to prevent unauthorized access.
- * Inspecting buildings for fire or safety hazards and providing escorts to employees who work late when traveling to their vehicles.
- * Providing security services at the capitol for functions such as taste of Minnesota and other major complex events.
- * Furnishing emergency services consisting of fire alarm response, medical assistance, bomb threats and investigation of suspected criminal activity.
- * Providing educational services to employees by offering C.P.R., first aid, building emergency drills and personal protection seminars.

Statutory Reference: M.S. chapter 299E.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total incident responses	8345	9250	9500	9750
CPR/first aid instruction (# persons)	288	300	350	350
Personal protection classes given	16	35	30	30
Building emergency seminars	12	18	20	25
Fire safety hazards identified	88	100	125	150

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Public events	225	250	250	250
Buildings serviced	34	35	36	37
Parking lots patrolled	33	34	35	36
Parks patrolled	5	5	5	5

This activity's effectiveness is realized through its efforts in minimizing needless expenditures of funds. This achievement is accomplished by promptly addressing situations which could lead to physical property damage or loss and through reducing potential law suits based on the state's alleged negligence in providing a safe environment.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Assaults	6	10	8	8
Parking facility incidents	20	25	20	20
Thefts under \$50	62	70	65	65
Thefts \$50 and over	31	37	35	32
Medical incidents	33	50	60	70
Fire incidents	8	10	12	12
Bomb threats	5	4	4	4

REVENUE:

This activity does not generate revenue.

<u>BUDGET REQUEST:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1990</u>	<u>POSITIONS</u>	<u>F.Y. 1991</u>	<u>POSITIONS</u>
Tunnel surveillance	\$ 50		\$ 45	
Security guard positions	151	7.0	151	7.0
Surveillance monitoring	195	2.0	45	2.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : CAPITOL SECURITY
BUDGET ACTIVITY : CAP COMPLEX SECURITY

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	833	932	1,028	196	1,224	1,116	1,028	196	1,224	1,130
EXPENSES/CONTRACTUAL SRVCS	29	30	30	0	30	30	30	0	30	30
MISC OPERATING EXPENSES	9	13	13	0	13	13	13	0	13	13
SUPPLIES/MATERIALS/PARTS	27	17	17	0	17	17	17	0	17	17
CAPITAL EQUIPMENT	61	0	0	200	200	200	0	45	45	45
TOTAL EXPENDITURES	959	992	1,088	396	1,484	1,376	1,088	241	1,329	1,235
CHANGE REQUESTS: FUND										
B TUNNEL SURVEILLANCE SYSTEM				50		50		45		45
B SECURITY/COMMUNICATION SYSTEMS MONITORS				195		195		45		45
B INCREASE IN SECURITY GUARD COMPLEMENT				151		43		151		57
TOTAL CHANGE REQUESTS				396		288		241		147
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	959	992	1,088	396	1,484	1,376	1,088	241	1,329	1,235
TOTAL FINANCING	959	992	1,088	396	1,484	1,376	1,088	241	1,329	1,235
POSITIONS BY FUND:										
GENERAL	34.0	34.0	34.0	9.0	43.0	38.0	34.0	9.0	43.0	40.0
TOTAL POSITIONS	34.0	34.0	34.0	9.0	43.0	38.0	34.0	9.0	43.0	40.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CAPITOL COMPLEX SECURITY
 PROGRAM: CAPITOL SECURITY
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: SECURITY GUARD POSITIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 151	7.0	\$ 151	7.0

Governor's Recommendation

General Fund	\$ 43	2.0	\$ 57	4.0
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The capitol complex security activity requests the addition of 6.0 full time security guard II positions and 1.0 shift supervisor to its present complement. These positions are needed because of the addition of the Minnesota judicial center, the increase of capitol complex events and vulnerability of current areas and buildings.

It is the goal of this activity to provide on-site security guards at the new judicial center for the purpose of maintaining a safe and secure working atmosphere. In addition, this activity requires additional personnel to maintain crowd control during public rallies, to enhance the overall protection to the lieutenant Governor and other prominent state officials and to increase the security services available during evening and early morning hours at facilities not now assigned security personnel.

DESCRIPTION/BACKGROUND:

During the late 1970's, the capitol complex security activity developed supervisory and communication system positions out of the existing security guard ranks without replacing the personnel. This change was possible due to the installation of electronic detection equipment and the end of the Viet Nam war protest era. The overall quality of security services were improved and over the years these changes had positive results.

Through better training, hiring, and supervision security personnel became capable of assuming and providing daily security needs of the capitol complex. Communications personnel have total control of building security and environmental systems within facilities. The electronic detection equipment has become a valuable tool and has been found to complement existing security personnel so they can react more quickly.

Today the capitol complex has become the center of attention for many events such as veteran, farmer and labor rallies, taste of Minnesota, Twin Cities

marathon, world series celebrations and numerous other charitable or special interest gatherings both outside and in the capitol.

In addition, new facilities such as the remodeled state office building, centennial building and the judicial center are or will be utilized extensively after the work day to host public meetings. Such frequent activity exceeds this activity's resources to provide a safe environment and protect state assets.

Finally, this activity currently is capable of adequately addressing only one major incident (fire, medical, or criminal) at a time. With the addition of the requested 7.0 positions it is our goal to be prepared to provide professional responses to several incidents simultaneously without jeopardizing security coverage in other facilities.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Capitol area events	225	250	250	250
Buildings assigned 24 hr.security	1	1	1	1
Buildings assigned 16 hr.security	2	2	3	3
Buildings assigned 8 hr.security	5	5	7	8
Buildings serviced by roving patrol	20	20	22	23
Bldgs. serviced by electronic security	30	30	31	32
Avg.response time to incidents (minutes)	4	4	3	3

RATIONALE:

With the addition of 7.0 security guards, capitol security will be prepared to provide a higher level of service to the capitol complex. Personnel will be available to monitor activities during early morning and evening hours in buildings now unattended, provide better crowd control during rallies or events, have the capability of promptly responding to several events at a time and to staff the new judicial center. Through the addition of these positions the security of individuals and protection of state assets will be enhanced.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 450	\$ 465	\$ 465	\$ 465

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 151	\$ 151	\$ 302

GOVERNOR'S RECOMMENDATION:

The Governor recommends the phasing in of 4.0 security guard positions to provide coverage for additional work loads and addition of the new judicial building.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ Activity

ACTIVITY: CAPITOL COMPLEX SECURITY
 PROGRAM: CAPITOL SECURITY
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: PARKING RAMPS AND TUNNEL SURVEILLANCE SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	-0-	\$ 45	-0-
Governor's Recommendation				
General Fund	\$ 50	-0-	\$ 45	-0-

Request requires statutory change: _____ Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The capitol complex security activity requests \$50,000 in F.Y. 1990 and \$45,000 in F.Y. 1991 to establish a closed circuit television surveillance and emergency alert system in the 1.18 miles of the capitol complex tunnel system and several parking lots and ramps in the capitol complex. This system will be utilized to provide an increased level of protection to the users of the tunnel.

DESCRIPTION/BACKGROUND:

The capitol complex tunnel system and parking ramps are unmonitored and seldom patrolled areas in the capitol complex. St. Paul crime statistics continue to show a high level of criminal activity in the neighborhoods surrounding the capitol. Evidence also indicates that the tunnels are utilized by thieves who commit crimes in the area, to escape detection. As human resources are not available to monitor these tunnels or detect immediate emergency needs, a C.C.T.V. and emergency alert system is proposed. Cameras would be positioned to survey all tunnel and ramp areas, and sound activated alert equipment would be installed in a fashion to notify capitol complex security communications of an event. Through this surveillance, system security/communication system monitors will be able to direct security guards to the location of the incident and the route of offender.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
C.C.T.V. tunnel surveillance cameras	0	0	17	31
Tunnel emergency or alert devices	0	0	12	25
Buildings connected to tunnel	8	8	8	8
Available exits from tunnel	35	35	38	38

RATIONALE:

The tunnel system and parking ramps are highly used facilities throughout the year and frequently late at night during the winter legislative session. Human resources are not available nor cost effective in providing a level of security commensurate with the potential of a serious criminal event. With the numerous exits to the outside, access to downtown, distances to telephone for emergency calls and the inability to ascertain the direction of flight, a criminal incident could occur with little chance of immediate apprehension. In the event of serious criminal action, the state could be liable due to negligence in providing a level of safety for tunnel and ramp users. Through the installation of this equipment capitol security will be better able to respond to incidents and increase the personal safety.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CAPITOL COMPLEX SECURITY
 PROGRAM: CAPITOL SECURITY
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: POSITION REQUESTS SECURITY/COMMUNICATION SYSTEMS MONITORS AND SURVEILLANCE CENTER

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 195	2.0	\$ 45	2.0
Governor's Recommendation				
General Fund	\$ 195	2.0	\$ 45	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The capitol complex security activity requests the addition of 2.0 security/communication systems monitor positions and funding to upgrade the communication control center. The objective in this request is to provide closer surveillance of the 74 existing and planned closed circuit television (C.C.T.V.) cameras, quicker responses to telephone or radio requests, better monitoring of the 3,000 existing and planned automated building fire, security and environmental control devices and improved capability in coordinating emergency communications for the division of emergency management, national guard and national air warning system.

The objective in upgrading the central C.C.T.V. surveillance center is to allow communication monitors the ability to view isolated high security or entrance areas in a manageable fashion using modern technological equipment.

DESCRIPTION/BACKGROUND:

There is currently 1 assigned individual per shift to manage the existing security communications center. This includes responding to 16 telephone lines over 5,000 phone inquiries monthly, and providing surveillance to the closed circuit T.V. system in order to observe abnormal situations and dispatch security personnel to investigate.

In addition, communications personnel closely monitor the building automation system. The department of administration computer is expected to control over 3,000 devices after the completion of the state office building ramp and judicial center. This system alerts the communication center to fire alarms, security situations and environmental malfunctions. Sensors connected to this system protect many sensitive areas including historic sites, computer rooms and cash or sensitive areas.

Capitol security's current communications center includes the existing surveillance monitors. Most are arranged one camera to one monitor (T.V.

screen) This system is not be feasible with the expansion planned. Viewing 74 screens effectively would not be possible nor would space be available in the current center to accommodate these sets. This request would enable installation of a system which would allow the communications personnel to view a manageable number of C.C.T.V. cameras at a time and switch to a new group of cameras in a programmed time frame. Any camera could be isolated upon command when desired for closer inspection or view alarm activated cameras immediately on larger screens.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Telephone inquiries	5,000	5,250	5,500	6,000
Fire alarms received	88	95	120	140
Medical calls for help	33	40	45	50
Emergency mgmt/nat'l. guard calls	99	100	100	100
Closed circuit cameras monitored	23	30	60	74
Environmental/fire/security devices	2,500	2,550	2,600	3,000
Radio calls (monthly)	8,500	9,000	9,500	9,750
Number of monitors during day shift	1	1	2	2
Number of monitors during aft.shift	1	1	2	2
No. of monitors during night shift	1	1	1	1

RATIONALE:

The protection of the capitol complex's entire physical plant and its population is coordinated by security/communication systems personnel. One individual per shift can no longer adequately handle all of the responsibilities assigned to this position. The delay of attending to a security or fire alarm could jeopardize the lives of many employees. The inability to timely address a malfunctioning environmental unit could cause thousands of dollars in damage and disruption in the work place.

The C.C.T.V. surveillance center is requested to allow capitol security the capacity to keep sensitive or isolated areas under observation and increase the safety of individuals on the complex. This system will also allow security personnel to be better utilized in high traffic areas or buildings with public activity in them. This equipment allows a cost effective way of providing a higher level security services to the capitol complex community.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 132	\$ 123	\$ 123	\$ 123

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 45	\$ 45	\$ 90

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: DRIVER AND VEHICLE SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The mission of driver and vehicle services division is to provide protection to the public in all areas of vehicle ownership and operation through regulation, identification, and education. Activities include:

- * Registration and titling of vehicles.
- * Examining, licensing and evaluation of drivers.
- * Licensing and inspection of motor vehicle dealers.
- * Licensing commercial driver training schools and instructors.
- * Registration of bicycles.
- * Creation and maintenance of accident records.

OPERATION/PRIORITIES:

The operations of the driver and vehicle services division are directed toward providing efficient services to the driving public. Citizens of the state rely on the division to obtain driver licenses, vehicle registrations and titles. Service to the public is provided through accurate record-keeping and taking prompt action in licensing enforcement.

Services are provided throughout the state through a combination of field and central office facilities. Twelve field offices act as liaisons between the division and non-state facilities that accept driver license and motor vehicle applications. These include 168 deputy registrars and 158 clerks of court. The field offices also manage 101 driver license exam stations located throughout the state. There are three motor vehicle processing centers located in Bemidji, Duluth and Rochester. Personnel stationed at central office and field facilities travel throughout the state to perform driver interviews and examinations and vehicle and dealer inspections.

Technological advances in information management are used to improve records management. This is a priority in the division because the licensing and revenue collection functions are dependent on accurate accessible records. The division maintains records on over 4,000,000 vehicles and 3,000,000 drivers. The division also maintains numerous other types of records in smaller volumes.

This program generates over \$500 million in revenue each year.

EXPLANATION OF BUDGET REQUEST:

This budget request includes 5 CHANGE request items. The change of \$141,000 each year for the interstate registration and reciprocity activity will provide an upgraded data processing system to replace a system that was created in 1980 and has become outdated. \$184,000 in F.Y. 1990 and \$393,000 in F.Y. 1991 for the license plate manufacturing activity will provide funds required to manufacture an additional 200,000 pairs of plates annually to

replace seven year old passenger class plates. \$1,555,000 in F.Y. 1990 and \$14,000 in F.Y. 1991 is for replacement of driver license exam equipment. \$240,000 in F.Y. 1990 and \$41,000 in F.Y. 1991 is for repairs and maintenance of deteriorating driver license exam stations. \$125,000 in F.Y. 1990 and \$121,000 in F.Y. 1991 will enable the agency to lease facilities for automobile inspection activities.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
VEHICLE REG&TITLE	8,651	9,821	9,931	<77>	9,854	9,854	9,931	<77>	9,854	9,854	
A IPO-MANAGEMENT INFORMATION SYSTEM PLAN GEN				<77>		<77>		<77>		<77>	
INTERSTATE REG&RECIP	982	1,115	1,136	141	1,277	1,277	1,136	141	1,277	1,277	
B IPO-UPGRADE OF PRORATE DATA PROCESSING HUTD SYSTEM				141		141		141		141	
VEHICLE DEALER LIC	394	442	451	0	451	451	451	0	451	451	
LICENSE PLATE MFG	1,086	1,059	1,069	184	1,253	1,253	1,069	393	1,462	1,462	
B LICENSE PLATE REPLACEMENT HUTD				184		184		393		393	
BICYCLE REGISTRATION	100	99	110	0	110	110	110	0	110	110	
LICENSING DRIVERS	12,552	13,601	13,721	1,908	15,629	15,629	13,722	164	13,886	13,886	
A IPO-MANAGEMENT INFORMATION SYSTEM PLAN TH				<12>		<12>		<12>		<12>	
B REPLACE DRIVER EXAM TESTING EQUIPMENT TH				1,555		1,555		14		14	
B DRIVER EXAM STATIONS- BUILDING TH MAINTENANCE				240		240		41		41	
B LEASING OF VEHICLE INSPECTION SITES GEN				125		125		121		121	
NO-FAULT INSURANCE	410	477	486	0	486	486	486	0	486	486	
AUTO ACCIDENT RECORD	1,132	1,243	1,264	0	1,264	1,264	1,264	0	1,264	1,264	
DRIVER LIC SUPPORT	483	464	472	0	472	472	472	0	472	472	
TOTAL EXPENDITURES	25,790	28,321	28,640	2,156	30,796	30,796	28,641	621	29,262	29,262	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	3,729	4,334	4,454	48	4,502	4,502	4,454	44	4,498	4,498	
TRUNK HIGHWAY	12,821	13,799	13,966	1,783	15,749	15,749	13,967	43	14,010	14,010	
HIGHWAY USER TAX DISTR	8,267	9,010	9,058	325	9,383	9,383	9,058	534	9,592	9,592	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	930	1,010	1,010	0	1,010	1,010	1,010	0	1,010	1,010	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES

SOURCES OF FINANCING:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FEDERAL	43	160	152	0	152	152	152	0	152	152
AGENCY	0	8	0	0	0	0	0	0	0	0
TOTAL FINANCING	25,790	28,321	28,640	2,156	30,796	30,796	28,641	621	29,262	29,262
POSITIONS BY FUND:										
GENERAL	120.9	118.9	118.9	0.0	118.9	118.9	118.9	0.0	118.9	118.9
TRUNK HIGHWAY	339.0	337.0	337.0	0.0	337.0	337.0	337.0	0.0	337.0	337.0
HGHMY USER TAX DISTR	173.6	172.6	172.6	0.0	172.6	172.6	172.6	0.0	172.6	172.6
TOTAL POSITIONS	633.5	628.5	628.5	0.0	628.5	628.5	628.5	0.0	628.5	628.5

ACTIVITY: VEHICLE REGISTRATION AND TITLE
 Program: DRIVER AND VEHICLE SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

BUDGET REQUEST:

This activity requests BASE level funding.

PURPOSE:

- * Audit, examine and process applications for vehicle registration and certificates of title.
- * Maintain records of vehicle registration and ownership. Issue registration plates and stickers.
- * Produce registration cards, certificates of title and registration renewal notices.
- * Provide information to the public regarding vehicle registration and title records and transactions.
- * Ensure that deputy registrars receive an adequate supply of license plates and stickers for issuance to the public.
- * Maintain deputy registrar inventory and proper deposit of taxes and fees collected by the deputy registrars.

Statutory References: M.S., Ch. 168, 168A, 297A and 297B.

EFFECTIVENESS MEASURES: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Average in-house processing time
 (days):

Certificates of title	3	3	3	3
Mail renewals	3	4	4	4

The average processing time for mail renewals will increase due to replacement of 7 year old passenger class plates.

(in Thousands)

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Information requests				
Telephone information unit	794.5	800.0	800.0	800.0
Mail and in person	71.1	73.6	74	74.5
Special plates (personalized, collector, veterans, etc.)	18.3	34.6	44.9	34.3
Vehicles registered	4,020.0	4,080.0	4,100.0	4120.0
Title certificates issued	1,238.0	1,248.0	1,260.0	1,271.0

REVENUE:

This activity generates non-dedicated revenue.

(Dollars in Thousands)

<u>Type of Revenue</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - General	\$ 484,626	\$ 498,399	\$ 511,051	\$ 530,444

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : VEHICLE REG&TITLE

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	5,127	6,001	6,212	0	6,212	6,212	6,212	0	6,212	6,212
EXPENSES/CONTRACTUAL SRVCS	2,098	2,156	2,056	<77>	1,979	1,979	2,056	<77>	1,979	1,979
MISC OPERATING EXPENSES	1,252	1,516	1,516	0	1,516	1,516	1,516	0	1,516	1,516
SUPPLIES/MATERIALS/PARTS	116	88	88	0	88	88	88	0	88	88
CAPITAL EQUIPMENT	57	59	59	0	59	59	59	0	59	59
NON-EXPENSE DISBURSEMENTS	1	1	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	8,651	9,821	9,931	<77>	9,854	9,854	9,931	<77>	9,854	9,854
CHANGE REQUESTS: FUND										
A IPO-MANAGEMENT INFORMATION SYSTEM PLAN GEN				<77>		<77>		<77>		<77>
TOTAL CHANGE REQUESTS				<77>		<77>		<77>		<77>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	2,635	3,138	3,234	<77>	3,157	3,157	3,234	<77>	3,157	3,157
HIGHWAY USER TAX DISTR	6,016	6,682	6,697	0	6,697	6,697	6,697	0	6,697	6,697
STATUTORY APPROPRIATIONS:										
AGENCY	0	1	0	0	0	0	0	0	0	0
TOTAL FINANCING	8,651	9,821	9,931	<77>	9,854	9,854	9,931	<77>	9,854	9,854
POSITIONS BY FUND:										
GENERAL	101.7	99.7	99.7	0.0	99.7	99.7	99.7	0.0	99.7	99.7
HIGHWAY USER TAX DISTR	130.1	129.1	129.1	0.0	129.1	129.1	129.1	0.0	129.1	129.1
TOTAL POSITIONS	231.8	228.8	228.8	0.0	228.8	228.8	228.8	0.0	228.8	228.8

ACTIVITY: INTERSTATE REGISTRATION AND RECIPROCITY 1990-91 Biennial Budget
Program: DRIVER AND VEHICLE SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

- * Provide commercial vehicle registration and fuel tax reporting services to Minnesota based motor carriers. Administer Minnesota's participation in the international registration plan (IRP) and the international fuel tax agreement (IFTA). These agreements serve the carriers by simplifying reporting requirements.
- * Collect registration and fuel taxes for Minnesota and other jurisdictions which are members of the interstate agreements.
- * Issue license plates and cab cards to Minnesota based motor carriers as receipts of taxes paid for interstate operation.
- * Facilitate interstate operation of Minnesota based carriers into jurisdictions which are not members of the interstate agreements by negotiating and maintaining reciprocity agreements with those jurisdictions. This includes reciprocity agreements for noncommercial vehicles and handicap parking identification.
- * Audit the records of Minnesota based carriers to ensure accurate mileage reporting and proper payment of taxes to Minnesota and other jurisdictions that are members of the interstate agreements.
- * Issue temporary permits to out of state carriers who are not registered for operation in Minnesota through the IRP. Permits are available 24 hours a day through wire services.

Statutory References: M.S., Sec. 168.187 and Sec. 296.17, Subd. 9a.

EFFECTIVENESS MEASURES:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of jurisdictions				
In IRP	38	42	44	46
In IFTA	8	12	17	19

As the number of jurisdictions participating in these agreements increases, the increased accuracy in the collections of registration and fuel taxes for interstate transportation becomes increasingly effective. Minnesota actively promotes entry into the agreements by new jurisdictions.

BUDGET ISSUE:

The current prorate data processing system is obsolete and will no longer be supported by IBM. In order to continue to maintain a functioning system for processing interstate registrations, a new system is needed.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Interstate vehicles operating in Minnesota (000's)	325	325	325	325
Carrier accounts:	4,918	4,727	4,800	4,800
Registration tax (000's)				
MN tax collected from MN based carriers	\$ 6,852	\$ 8,017	\$ 8,378	\$ 8,755
MN tax collected from carriers based in other jurisdictions	8,084	8,573	9,146	9,760
Total MN tax,	14,936	16,590	17,525	18,515
Tax for other jurisdictions collected from MN carriers	17,192	17,032	17,765	18,955

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Fuel tax (000's)				
MN tax collected from MN based carriers*	\$ (713)	\$ (836)	\$ (1,171)	\$ (1,628)
MN tax collected from carriers in other jurisdictions	710	1,535	1,585	2,345
Total MN tax	(3)	699	415	717
Tax for other jurisdictions collected from MN carriers	1,834	1,900	2,600	3,700
Fuel tax license fees (000's)	46	47	48	48

* This activity collects fuel tax only for the reconciliation of fuel purchased to miles traveled in IFTA jurisdictions. A negative figure appears for MN tax collected from MN carriers because Minnesota carriers owed more tax to other jurisdictions than was collected through this activity.

REVENUE:

This activity generates non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-ded. - Highway User	\$ 34,005	\$ 36,281	\$ 38,364	\$ 41,948

BUDGET REQUEST:	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Upgrade data processing system	\$ 141	\$ 141

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : INTERSTATE REG&RECIP

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	799	873	893	0	893	893	893	0	893	893
EXPENSES/CONTRACTUAL SRVCS	101	171	172	141	313	313	172	141	313	313
MISC OPERATING EXPENSES	54	56	56	0	56	56	56	0	56	56
SUPPLIES/MATERIALS/PARTS	12	14	14	0	14	14	14	0	14	14
CAPITAL EQUIPMENT	16	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	982	1,115	1,136	141	1,277	1,277	1,136	141	1,277	1,277
CHANGE REQUESTS: FUND										
B IPO-UPGRADE OF PRORATE DATA PROCESSINGHUTD SYSTEM					141			141		141
TOTAL CHANGE REQUESTS					141			141		141
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	19	19	20	0	20	20	20	0	20	20
HGHWY USER TAX DISTR	963	1,096	1,116	141	1,257	1,257	1,116	141	1,257	1,257
TOTAL FINANCING	982	1,115	1,136	141	1,277	1,277	1,136	141	1,277	1,277
POSITIONS BY FUND:										
HGHWY USER TAX DISTR	31.0	31.0	31.0	0.0	31.0	31.0	31.0	0.0	31.0	31.0
TOTAL POSITIONS	31.0	31.0	31.0	0.0	31.0	31.0	31.0	0.0	31.0	31.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: INTERSTATE REGISTRATION AND RECIPROCIY
 PROGRAM: DRIVER AND VEHICLE SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: UPGRADE PRORATE DATA PROCESSING SYSTEM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Highway User Fund	\$ 141	-0-	\$ 141	-0-

Governor's Recommendation

Highway User Fund	\$ 141	-0-	\$ 141	-0-
-------------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected: none

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funding for the upgrade of the computer system used for calculation of IRP and IFTA fees. The calculation of fees requires a sophisticated data processing system and constant programming to keep fee schedules for all member jurisdictions current. This request would permit the agency to subscribe to the vehicle information system for tax apportionment (VISTA) which was created by a private vendor under contract with the American association of motor vehicle administrators (AAMVA) for use by IRP member jurisdictions.

DESCRIPTION/BACKGROUND:

The current system was designed in 1980. It operates on an IBM mini-computer which was upgraded in 1981, 1984 and 1985. The mini-computer model is now obsolete and will no longer be supported by IBM. In order to continue to maintain a functioning data processing system for processing interstate registrations, a new system is needed. The cost of the current system can fluctuate yearly depending on the number of new jurisdictions entering the IRP and the number of existing jurisdictions that change their fee schedules.

RATIONALE:

The annual cost for software rental, equipment maintenance and programming for the current system is \$92,100. To purchase new equipment for this system would require an additional expense of approximately \$450,000. There would be annual license fees and maintenance costs in addition to future expenses for upgrading.

The cost of subscribing to VISTA will be \$233,000 per year. VISTA includes all equipment and programming required to calculate IRP fees. It also includes some features, such as auditing capabilities, that are not included in the current system. This averages \$3.76 per vehicle. The \$5.00 per vehicle cab card fee collected by this activity generates \$300,000 per year and is deposited in the highway user tax distribution fund.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Highway User Fund	\$ 41	\$ 57	\$ 92	\$ 92

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Highway User Fund	\$ 141	\$ 141	\$ 282

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: VEHICLE DEALER LICENSING
 Program: DRIVER AND VEHICLE SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

- * Assist dealers in complying with requirements through education and information provided during inspections and through informational bulletins. All new license applicants are inspected and receive special assistance within 90 days of the application.
- * Protect customers by assisting them with resolution of complaints regarding the dealer handling of transactions and by ensuring that all dealers maintain surety bonds.
- * Collect revenues in the form of dealer license fees and registration and excise tax for dealer plates.
- * Verify correct remittance of taxes collected by the dealer to the state of Minnesota through dealer inspections and special investigations.

Statutory References: M.S., Sec. 168.27 and Laws of 1988, Ch. 496

RECENT BUDGET HISTORY:

Legislation passed in 1988 will add 3 new classifications of dealer license. The new classification of license for salvage dealers is expected to add approximately 100 licenses.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of complaints resolved	1,200	1,250	1,300	1,350
Number of dealer inspections	5,257	5,600	5,600	5,600

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of dealer licenses	3,429	3,550	3,560	3,580
Dealer license fees (000's)	\$ 362	\$ 369	\$ 366	\$ 368
Number of dealer plates	27,281	27,400	27,550	27,700
Dealer plate fees (000's)	\$ 208	\$ 209	\$ 210	\$ 211
Dealer plate excise tax (000's)	\$ 273	\$ 274	\$ 275	\$ 277

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - General	\$ 843	\$ 851	\$ 851	\$ 856

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : VEHICLE DEALER LIC

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	314	338	347	0	347	347	347	0	347	347
EXPENSES/CONTRACTUAL SRVCS	39	43	43	0	43	43	43	0	43	43
MISC OPERATING EXPENSES	39	43	43	0	43	43	43	0	43	43
SUPPLIES/MATERIALS/PARTS	2	18	18	0	18	18	18	0	18	18

TOTAL EXPENDITURES	394	442	451	0	451	451	451	0	451	451

SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	394	442	451	0	451	451	451	0	451	451

TOTAL FINANCING	394	442	451	0	451	451	451	0	451	451

POSITIONS BY FUND:										
GENERAL	12.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0

TOTAL POSITIONS	12.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0

ACTIVITY: LICENSE PLATE MANUFACTURING
 Program: DRIVER AND VEHICLE SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

BUDGET REQUEST:

(Dollars in Thousands)
F.Y. 1990 F.Y. 1991

License plate replacement

\$ 184 \$ 393

PURPOSE:

- * Produce license plates used by the vehicle registration and dealers activities.
- * Produce validation stickers used by the vehicle registration and bicycle registration activities.
- * Deliver license plates and validation stickers to the division and deputy registrars throughout the state.

Statutory References: M.S., Sec. 168.381 and Laws of 1988, Ch. 647

RECENT BUDGET HISTORY:

Legislation was passed in 1985 requiring replacement of all passenger class license plates beginning October, 1986. A total of \$6,793,200 was allocated for plate production for F.Y. 1986-87. When the general reissuance was halted by temporary restraining order in September 1986, plate production was discontinued and \$2,942,479 which was unused from the original allocation was turned back. During this period 1,955,046 passenger plates were produced. That inventory has been used for issuance to newly registered vehicles. Approximately 1,200,000 of those plates remain on hand at the end of F.Y. 1988.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average cost of plates produced				
Pair graphic - 12"	\$ 5.24	\$ 1.95	\$ 2.14	\$ 1.92
Pair non-graphic - 12"	5.14	1.82	1.97	1.88
Single non-graphic - 12"	2.20	0.91	0.99	0.94
Average cost of a pair of passenger validation stickers	\$ 0.037	\$ 0.038	\$ 0.034	\$ 0.036

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of license plates produced:				
Single plates	91,053	133,000	90,000	92,000
Pairs of plates	42,982	710,00	560,000	650,000
Number of validation stickers produced (000's)	4,992	4,876	6,000	5,250

BUDGET ISSUE:

The seven year replacement of license plates will require production of an additional 200,000 license plates each year. The current activity budget is not sufficient to handle the costs of this increased production requirement.

REVENUE:

This activity does not generate revenue.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : LICENSE PLATE MFG

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	256	360	370	10	380	380	370	10	380	380
EXPENSES/CONTRACTUAL SRVCS	9	22	22	0	22	22	22	0	22	22
MISC OPERATING EXPENSES	93	117	117	0	117	117	117	0	117	117
SUPPLIES/MATERIALS/PARTS	727	544	544	174	718	718	544	383	927	927
CAPITAL EQUIPMENT	1	16	16	0	16	16	16	0	16	16
TOTAL EXPENDITURES	1,086	1,059	1,069	184	1,253	1,253	1,069	393	1,462	1,462
CHANGE REQUESTS:										
B LICENSE PLATE REPLACEMENT				184		184		393		393
TOTAL CHANGE REQUESTS				184		184		393		393
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
HGHWY USER TAX DISTR	1,086	1,059	1,069	184	1,253	1,253	1,069	393	1,462	1,462
TOTAL FINANCING	1,086	1,059	1,069	184	1,253	1,253	1,069	393	1,462	1,462
POSITIONS BY FUND:										
HGHWY USER TAX DISTR	9.0	9.0	9.0	0.0	9.0	9.0	9.0	0.0	9.0	9.0
TOTAL POSITIONS	9.0	9.0	9.0	0.0	9.0	9.0	9.0	0.0	9.0	9.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LICENSE PLATE MANUFACTURING
 PROGRAM: DRIVER AND VEHICLE LICENSING
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: LICENSE PLATE REPLACEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Highway User Fund	\$ 184	-0-	\$ 393	-0-
Governor's Recommendation				
Highway User Fund	\$ 184	-0-	\$ 393	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected: none

STATEMENT OF REQUEST/OBJECTIVE: The agency requests these funds in order to produce license plates required for the 7 year replacement of passenger class license plates. The replacement of the passenger plates will require the production of an additional 200,000 license plates each year. The request for F.Y. 1990 also includes \$65,000 for the production of various classes of veteran's plates created in 1988 legislation.

DESCRIPTION/BACKGROUND: Effective 1-1-89 all passenger class plates that are 7 years old must be replaced. This will require the replacement of approximately 600,000 plates during F.Y. 1989, 825,000 during F.Y. 1990, and approximately 200,000 each year thereafter. Legislation in 1985 had called for the replacement of all passenger plates starting in October, 1986. Before that general reissuance began, it was halted by a temporary restraining order in September, 1986. At that time, 1.9 million plates had been manufactured. Approximately 1.2 million of those plates and excess raw material remained on hand at the end of F.Y. 1988. That material will last part way into F.Y. 1990.

STATISTICS:	(in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of pairs of passenger class plates				
To be replaced	-0-	600.5	823.0	283.4
Issued to new registrations	372.0	372.0	372.0	372.0
Total to be issued	372.0	972.5	1,195.0	655.4
To be produced	2.1	684.0	534.8	717.3

The number of replacement plates to be issued in F.Y. 1991 is low because 80% of passenger plates issued in calendar year 1984 were assigned December

as the expiration month. The number of replacement plates required for F.Y. 1992 will be 200,600.

RATIONALE: The same legislation that requires the replacement of 7 year old passenger class plates also created a \$2.00 plate fee for the issuance of new and replacement plates to cover the cost of manufacturing the plates. This fee will amount to approximately \$1,834,000 in F.Y. 1989, \$2,560,000 in F.Y. 1990 and \$1,380,000 each year thereafter. This fee is collected by the vehicle registration and title activity and credited to the highway user tax distribution fund.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Highway User Fund	\$ 576	\$ 400	\$ 400	\$ 400

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Highway User Fund	\$ 247	\$ 291	\$ 538

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: BICYCLE REGISTRATION
 Program: DRIVER AND VEHICLE SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

- * Registration of bicycles. Registration aids in identification in case of accident and recovery of stolen bicycles.
- * Maintenance of records of bicycle registration. Information from the registration records is provided to the public and law enforcement agencies.

Statutory Reference: M.S., Sec. 168C.12

EFFECTIVENESS MEASURES:	(in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of bicycles registered:				
In the metro area	98.7	98.4	98.1	97.9
Outside the metro area	40.0	39.9	39.8	39.6
Total	138.7	138.3	139.9	137.5

STATISTICS:	(in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
New registrations:	14.8	14.5	14.3	14.0
Registration renewals:	11.1	11.0	10.9	10.8

REVENUE:

This activity generates non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-dedicated - General	\$ 142	\$ 138	\$ 137	\$ 135

BUDGET REQUEST:

This activity requests BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : BICYCLE REGISTRATION

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	59	54	65	0	65	65	65	0	65	65
EXPENSES/CONTRACTUAL SRVCS	28	29	29	0	29	29	29	0	29	29
MISC OPERATING EXPENSES	12	15	15	0	15	15	15	0	15	15
SUPPLIES/MATERIALS/PARTS	1	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	100	99	110	0	110	110	110	0	110	110
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	100	99	110	0	110	110	110	0	110	110
TOTAL FINANCING	100	99	110	0	110	110	110	0	110	110
POSITIONS BY FUND:										
GENERAL	2.2	2.2	2.2	0.0	2.2	2.2	2.2	0.0	2.2	2.2
TOTAL POSITIONS	2.2	2.2	2.2	0.0	2.2	2.2	2.2	0.0	2.2	2.2

ACTIVITY: LICENSING DRIVERS 1990-91 Biennial Budget
Program: DRIVER AND VEHICLE SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

- * Conduct driver examinations and commercial, school bus and motorcycle driver testing.
 - * Conduct inspections of salvage vehicles and motor vehicle dealers.
 - * Evaluate drivers through personal interviews, driving records and information received from courts, police, medical experts and relatives.
 - * Withdraw driving privileges as mandated by statute, rule or the appropriate discretionary action.
 - * Issue driver licenses and identification cards from applications made at clerk of court and driver license offices.
 - * Maintain records of applications, convictions, accidents, withdrawals and reinstatements. Provide record information to the public, police and courts upon request.
 - * Regulate commercial driver training schools and instructors through licensing and approval of curriculum.
- Statutory Reference: M.S., Ch. 171.

EFFECTIVENESS MEASURES:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Alcohol related revocations:				
1st offense	21,094	21,500	21,700	21,800
2nd offense	7,769	8,000	8,100	8,150
3rd offense	7,802	8,000	8,100	8,150
Other suspensions and revocations:	74,913	75,500	76,100	76,800
Error ratio	1.28%	1.28%	1.28%	1.28%

(In Thousands)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
STATISTICS:				
Licensed drivers (000's)	3,102	3,132	3,162	3,192
License applications (000's)	1,159	1,200	1,210	1,220
Driving records furnished (000's)	2,054	2,060	2,070	2,080
Conviction recorded (000's)	458	460	462	464
Written tests given (000's)	328	340	340	340
Road tests given (000's)	164	180	180	180
Dealer inspections (000's)	5.3	5.6	5.6	5.6
Salvage vehicle inspections (000's)	8.4	10	10	10
Driver education programs approved	40	45	45	45
Commercial schools licensed	78	82	82	84
Commercial instructors licensed	310	310	310	315
Drivers interviewed (000's)	30.8	30.8	30.9	31.0
Driver evaluation telephone inquiries (000's)	138.7	141.9	145.5	148.9
Administrative reviews	450	455	460	465
Judicial reviews	2,482	2,505	2,530	2,560

REVENUE: This activity generates both dedicated and non-dedicated revenue.

	(Dollars in Thousands)			
Type of Revenue	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-dedicated				
General	\$ 1,291	\$ 1,358	\$ 1,883	\$ 1,887
Trunk Highway	13,961	14,601	18,353	18,472
Transit	4,462	4,873	-0-	-0-
Dedicated - Special	3,856	4,064	4,064	4,064
Total Revenue	\$ 23,570	\$ 24,896	\$ 24,300	\$ 24,433

Laws 1987, Ch.358, Sec.37, provides for the distribution of driver license revenues, with the transit assistance fund receiving 33 1/3% of the receipts from 7-1-87 through 6-30-89. After 6-30-89, the distribution will be on a 90/10 split with the trunk highway fund receiving 90% and the General Fund receiving 10% of the receipts.

GRANTS AND AIDS:

Reimbursement to Counties for Alcohol Problem Screenings and Chemical Use Assessments

Statutory Reference: M.S., Sec.169.124,169.125,169.126; Laws of 1987, Ch. 315.

With the enactment of Laws of 1987, Ch. 315 there are now 2 types of reimbursement to the counties for alcohol problem assessments of persons convicted of DWI. Each person convicted of DWI is given an alcohol problem screening. The county is reimbursed 50% of the cost, not to exceed \$25, from the appropriation from the General Fund. If the total requests for reimbursement exceed the appropriation, the reimbursements are reduced to the appropriation amount. If an alcohol problem is identified during the screening, a chemical use assessment is conducted by a person qualified to conduct such assessments under rules promulgated by the commissioner of human services. The county is reimbursed for the cost of the assessment from the drinking and driving repeat offense prevention account. The department of human services determines the amount to be reimbursed, not to exceed \$100 per assessment. A charge of \$75 is collected by the court from every person convicted of DWI and deposited by the state treasurer to that account.

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Alcohol screenings	16,026	16,500	16,500	16,500
Chemical use assessments	8,836	10,400	10,400	10,400

	(Dollars in Thousands)			
Grants by fund	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 431	\$ 431	\$ 431	\$ 431
D.A.D.R.O.P.A.	926	1,000	1,000	1,000

BUDGET ISSUES: 1. The current driver testing equipment administers the written exam by displaying still pictures describing driving situations. Purchased in 1973 and 1977, this equipment is outdated, experiencing breakdowns and is difficult to repair. Current technology uses motion to depict driving situation. Without replacement soon, the agency will have to return to written exams which do not effectively accommodate reading impaired persons; 2. The metro area driver exam stations are in immediate need of repairs and ongoing maintenance without sufficient budget. When control of these stations were transferred from the department of transportation funds for maintenance and repair were not included; 3. Inspection of salvage vehicles has increased rapidly. Since 1986 it has gone up threefold. The inspections, to determine origin of essential vehicle parts, are done outdoors with makeshift elevation. Leasing indoor facilities would provide a safer more conducive atmosphere to conduct these mandatory inspections.

	(Dollars in Thousands)	
BUDGET REQUEST:	F.Y. 1990	F.Y. 1991
Building maintenance	\$ 240	\$ 41
Inspection facilities	125	21
Driver testing equipment	1,555	1

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : LICENSING DRIVERS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	7,901	8,650	8,849	0	8,849	8,849	8,849	0	8,849	8,849
EXPENSES/CONTRACTUAL SRVCS	2,343	2,588	2,524	348	2,872	2,872	2,525	163	2,688	2,688
MISC OPERATING EXPENSES	794	773	773	0	773	773	773	0	773	773
SUPPLIES/MATERIALS/PARTS	83	110	110	5	115	115	110	1	111	111
CAPITAL EQUIPMENT	73	42	34	1,555	1,589	1,589	34	0	34	34
NON-EXPENSE DISBURSEMENTS	1	7	0	0	0	0	0	0	0	0
STATE OPERATIONS	11,195	12,170	12,290	1,908	14,198	14,198	12,291	164	12,455	12,455
LOCAL ASSISTANCE	1,357	1,431	1,431	0	1,431	1,431	1,431	0	1,431	1,431
TOTAL EXPENDITURES	12,552	13,601	13,721	1,908	15,629	15,629	13,722	164	13,886	13,886
CHANGE REQUESTS: FUND										
A IPO-MANAGEMENT INFORMATIONS SYSTEM PLAN TH					<12>	<12>	<12>	<12>	<12>	<12>
B REPLACE DRIVER EXAM TESTING EQUIPMENT TH					1,555	1,555		14		14
B DRIVER EXAM STATIONS- BUILDING TH					240	240		41		41
MAINTENANCE										
B LEASING OF VEHICLE INSPECTION SITES GEN					125	125		121		121
TOTAL CHANGE REQUESTS					1,908	1,908		164		164
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	516	554	555	125	680	680	555	121	676	676
TRUNK HIGHWAY	11,063	11,870	12,004	1,783	13,787	13,787	12,005	43	12,048	12,048
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	930	1,010	1,010	0	1,010	1,010	1,010	0	1,010	1,010
FEDERAL	43	160	152	0	152	152	152	0	152	152
AGENCY	0	7	0	0	0	0	0	0	0	0
TOTAL FINANCING	12,552	13,601	13,721	1,908	15,629	15,629	13,722	164	13,886	13,886

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : LICENSING DRIVERS

SOURCES OF FINANCING:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TRUNK HIGHWAY	281.5	278.5	278.5	0.0	278.5	278.5	278.5	0.0	278.5	278.5
TOTAL POSITIONS	283.5	280.5	280.5	0.0	280.5	280.5	280.5	0.0	280.5	280.5

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

ACTIVITY: LICENSING DRIVERS
PROGRAM: DRIVER AND VEHICLE SERVICES
AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: DRIVER TESTING EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$1,555	-0-	\$ 14	-0-

Governor's Recommendation

Trunk Highway Fund	\$1,555	-0-	\$ 14	-0-
--------------------	---------	-----	-------	-----

Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to acquire new automated equipment for the administration of written driver examinations. Included are 122 test machines and 18 examiner consoles at a cost of \$11,000 each, \$15,000 for the software package and \$14,000 for ongoing maintenance.

DESCRIPTION/BACKGROUND:

Written exams are administered using equipment that displays a picture describing the driving situation. This assists reading impaired persons to understand the question. The equipment now being used was acquired in 1973 (metro stations) and 1977 (non-metro stations). It displays a still slide on internal projectors which can hold only two exam versions. Due to the age of the equipment, an increasing number of breakdowns is being experienced and it is becoming increasingly difficult to repair machines. The equipment requested uses the most advanced technology available to expand the number of exam versions. It accommodates reading impaired persons through the use of motion depicting actual driving situations.

RATIONALE:

The agency is requesting the funds to replace the equipment at all locations in F.Y. 1990 so that all applicants in the state are tested on the same equipment at the same time. This will also permit the installation of equipment prior to the implementation of the federal commercial driver license program which will require additional versions of written exams. The new equipment will allow the agency to provide better service to the applicants

by providing functional equipment and through improved examining methods. If the equipment is not replaced, the agency will eventually return to written exams as the equipment can no longer be repaired. This will result in higher failure rate among reading impaired persons and require additional staff to administer the exams.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 14	\$ 14	\$ 28

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: LICENSING DRIVERS
 PROGRAM: DRIVER AND VEHICLE SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: BUILDING MAINTENANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Trunk Highway Fund	\$ 240	-0-	\$ 41	-0-

Governor's Recommendation

Trunk Highway Fund	\$ 240	-0-	\$ 41	-0-
--------------------	--------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds for immediate repairs to 3 metro area driver license exam stations and for ongoing maintenance.

DESCRIPTION/BACKGROUND:

Several years ago, control over the driver license exam stations was transferred to this agency from the department of transportation. Control of the property was transferred without funds for maintenance of the facilities. As a result, the buildings, which range in age from 14 to 25 years, and grounds have deteriorated. The funds are requested to bring the facilities up to an acceptable level during F.Y. 1990 and maintain them in good repair in later years. The 3 stations are located in Eagan, Arden Hills, and Plymouth. The Eagan station requires asphalt overlay of the streets, and connection to the city sewer system. The Arden Hills station requires replacement windows and sills, window blinds, and tuck pointing of the brick exterior. The Plymouth station requires asphalt overlay of the streets, and replacement carpeting. The grounds of all 3 stations require landscaping and upkeep.

In F.Y. 1988 the agency used salary savings to make emergency repairs and acquire maintenance equipment at the stations. The repairs amounted to \$44,400. The major expenditures included replacement of the furnace at Eagan, replacement of the air conditioner at Arden Hills and purchase of lawn mowers for all stations. The lawn mowers were required when the department of transportation discontinued providing lawn mowing service without charge to this agency. Other repairs included repairs to heating, cooling, alarm and ic address systems, signal lights, plumbing, the well at Eagan and

windows. The building constructions division of the department of administration has encumbered \$30,000 for the renovation of the rest rooms at the Eagan and Arden Hills stations for handicapped accessibility.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ 44	\$ 5	\$ 5	\$ 5

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Trunk Highway Fund	\$ 41	\$ 41	\$ 82

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency _____ Program _____ X Activity

BASE: None.

ACTIVITY: LICENSING DRIVERS
 PROGRAM: DRIVER AND VEHICLE SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	-
General Fund	\$ 121	\$ 121	\$ 242

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. The cost of this function will be recovered through fee assessment.

REQUEST TITLE: VEHICLE INSPECTION FACILITIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 125	-0-	\$ 121	-0-

Governor's Recommendation

General Fund	\$ 125	-0-	\$ 121	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 168A.152

STATEMENT OF REQUEST/OBJECTIVE:

This activity requests the above funds to lease motor vehicle inspection facilities by the hour at 23 non-Metro locations throughout the state and to acquire tools required for the inspections. The lease amount is based on 4 hours per week at each location at a rate of \$25 per hour.

DESCRIPTION/BACKGROUND:

The number of inspections of salvage vehicles has increased rapidly since this activity became responsible for the inspections in 1981. During F.Y. 1986, 3105 inspections were completed. Inspections increased to 6,624 in F.Y. 1987 and 8,365 in F.Y. 1988. It is expected that the number will increase to approximately 10,000 in F.Y. 1989. The inspection is done on rebuilt vehicles to determine the origin of essential parts of the vehicle. It requires the inspector to be under the vehicle. The inspections are now done outdoors with makeshift elevation.

RATIONALE:

This request would permit the lease of indoor facilities with proper lifts at the 23 leased locations. This would allow the inspectors to conduct adequate inspections under conditions which are safe for the inspector and the customer. There is an additional capital budget request to construct inspection facilities at the 3 metro area exam stations for a total cost of \$285,000. In order to cover the costs of the facilities, there will be proposed legislation to charge an inspection fee. The proposed change to M.S., Ch. 168B would provide for a \$20 inspection fee which would generate \$200,000 each year, amounting to \$400,000 for this biennium.

ACTIVITY: NO FAULT INSURANCE
 Program: DRIVER AND VEHICLE SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE:

This activity does not generate revenue.

PURPOSE:

- * Verify compliance with the no fault insurance law through spot checks of information provided on registration renewal applications.
- * Verify new insurance coverage after receipt of cancellation notices from insurance companies.
- * Verify insurance information provided after an accident.
- * Revoke the vehicle registration and/or revoke or suspend the driving privileges when information from the driver, the owner, the court or the insurance company indicates that a vehicle was or is being operated without the required insurance coverage.
- * Interview owners and drivers to determine whether limited or full driving privileges may be reinstated after action has been taken.
- * Suspend the driving privileges of the owner of a vehicle who has not satisfied a civil judgment resulting from the operation of the vehicle.

BUDGET REQUEST:

This activity requests BASE level funding.

Statutory References: M.S., Ch. 65B and Sec.171.182 through 171.184.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Percentage of drivers involved in accidents whose driving privileges are suspended for operating an uninsured vehicle.*	4.18%	4.0%	4.0%	4.0%
Percentage of vehicles determined to be uninsured through spot check of insurance information provided at the time of registration.	.83%	.9%	.9%	.9%
Percentage of cancellation notices from insurance companies that result in registration revocation	25.09%	25.0%	25.0%	25.0%

* Percentages are based on an average of 1.8 drivers per accident.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of spot checks of insurance information	210,514	300,000	300,000	300,000
No. of revocations after spot check	1,737	2,700	2,700	2,700
No. of reportable accidents	111,467	111,000	111,500	112,000
No. of driver licenses suspended for no insurance at time of accident	8,382	7,992	8,028	8,064
No. of vehicle registrations revoked for no insurance at time of accident	4,601	4,995	5,018	5,040
Cancellation notices received from insurance companies	50,790	60,000	60,000	60,000
Registrations revoked after cancellation of insurance	12,744	15,000	15,000	15,000
No fault insurance convictions received from courts	7,358	8,500	9,700	10,900
Driver licenses suspended for unsatisfied civil judgments	947	1,000	1,000	1,000
No. of personal interviews conducted	10,416	11,000	11,500	12,000
No. of no fault inquiries by telephone	42,146	42,000	42,000	42,000

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : NO-FAULT INSURANCE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	360	421	430	0	430	430	430	0	430	430	
EXPENSES/CONTRACTUAL SRVCS	16	21	21	0	21	21	21	0	21	21	
MISC OPERATING EXPENSES	23	31	31	0	31	31	31	0	31	31	
SUPPLIES/MATERIALS/PARTS	2	3	3	0	3	3	3	0	3	3	
CAPITAL EQUIPMENT	9	1	1	0	1	1	1	0	1	1	
TOTAL EXPENDITURES	410	477	486	0	486	486	486	0	486	486	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
TRUNK HIGHWAY	410	477	486	0	486	486	486	0	486	486	
TOTAL FINANCING	410	477	486	0	486	486	486	0	486	486	
POSITIONS BY FUND:											
TRUNK HIGHWAY	16.0	16.0	16.0	0.0	16.0	16.0	16.0	0.0	16.0	16.0	
TOTAL POSITIONS	16.0	16.0	16.0	0.0	16.0	16.0	16.0	0.0	16.0	16.0	

ACTIVITY: ACCIDENT RECORDS
 Program: DRIVER AND VEHICLE SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

- * Collect information from citizen and police reports of reportable accidents regarding location, cause and consequences of motor vehicle accidents for use by local, state and federal agencies for improvement of traffic safety.
- * Provide the no fault insurance activity with information regarding insurance coverage for accidents.
- * Provide the driver licensing activity with information regarding drivers involved in accidents for detection of possible problem drivers.
- * Provide parties involved in accidents with specific information from the police accident reports to assist in resolution of damage claims.

A reportable accident is one that involves property damage of \$500 or more, personal injury or death. The reports must be filed within 10 days of the accident. Processing of the reports begins after that time and includes requesting reports from citizens who have failed to file the reports within the required time period.

Statutory References: M. S., Sec.169.09, 169.10, 171.12 and Ch. 65B.

EFFECTIVENESS MEASURES: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Average number of days after accident:				
Files referred to no fault section:	57	40	40	40
Statistical data available:	2	20	20	20

The timeframe in which the information is available is used as the effectiveness measure since it reflects both the efficiency with which the reports are processed and the value of the data in terms of the ability of other activities to take action promptly.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

No. of reportable accidents	111,467	111,500	112,000	112,500
No. of accident reports	278,667	290,820	292,130	293,400
No. of copies of reports furnished	26,750	26,750	26,750	26,750

REVENUE:

This activity generates non-dedicated revenue.

	(Dollars in Thousands)			
<u>Type of Revenue:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - Trunk Highway	\$ 108	\$ 108	\$ 108	\$ 108

BUDGET REQUEST:

Th. _____

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : AUTO ACCIDENT RECORD

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	949	997	1,018	0	1,018	1,018	1,018	0	1,018	1,018
EXPENSES/CONTRACTUAL SRVCS	136	198	198	0	198	198	198	0	198	198
MISC OPERATING EXPENSES	37	28	28	0	28	28	28	0	28	28
SUPPLIES/MATERIALS/PARTS	10	11	11	0	11	11	11	0	11	11
CAPITAL EQUIPMENT	0	9	9	0	9	9	9	0	9	9
TOTAL EXPENDITURES	1,132	1,243	1,264	0	1,264	1,264	1,264	0	1,264	1,264
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
TRUNK HIGHWAY	1,132	1,243	1,264	0	1,264	1,264	1,264	0	1,264	1,264
TOTAL FINANCING	1,132	1,243	1,264	0	1,264	1,264	1,264	0	1,264	1,264
POSITIONS BY FUND:										
TRUNK HIGHWAY	37.0	38.0	38.0	0.0	38.0	38.0	38.0	0.0	38.0	38.0
TOTAL POSITIONS	37.0	38.0	38.0	0.0	38.0	38.0	38.0	0.0	38.0	38.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : DRIVER & VEH SERVICES
BUDGET ACTIVITY : DRIVER LIC SUPPORT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	401	404	412	0	412	412	412	0	412	412
EXPENSES/CONTRACTUAL SRVCS	21	28	28	0	28	28	28	0	28	28
MISC OPERATING EXPENSES	31	27	27	0	27	27	27	0	27	27
SUPPLIES/MATERIALS/PARTS	6	4	4	0	4	4	4	0	4	4
CAPITAL EQUIPMENT	24	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	483	464	472	0	472	472	472	0	472	472
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	84	101	104	0	104	104	104	0	104	104
TRUNK HIGHWAY	197	190	192	0	192	192	192	0	192	192
HGHNY USER TAX DISTR	202	173	176	0	176	176	176	0	176	176
TOTAL FINANCING	483	464	472	0	472	472	472	0	472	472
POSITIONS BY FUND:										
GENERAL	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TRUNK HIGHWAY	4.5	4.5	4.5	0.0	4.5	4.5	4.5	0.0	4.5	4.5
HGHNY USER TAX DISTR	3.5	3.5	3.5	0.0	3.5	3.5	3.5	0.0	3.5	3.5
TOTAL POSITIONS	11.0	11.0	11.0	0.0	11.0	11.0	11.0	0.0	11.0	11.0

PROGRAM: LIQUOR CONTROL
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The mission of the liquor control division is to create an environment of stability in the administration and implementation of liquor laws 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.

The liquor control program manages and regulates license issuance and approval, brand label registration, importers' price filings, importers, wholesalers credit law, department of revenue delinquent tax list, hearings on suspension and fines, and promulgation of rules.

This program serves as an important informational resource for the liquor industry, local law enforcement, governmental units and the public. Program priorities are accomplished by providing its stakeholders with an immediate response to their needs. Local assistance activities are conducted throughout the state by field representatives. They assist local law enforcement, provide information on liquor law application and perform pre-license inspections. P.O.S.T. board approved seminars are conducted for peace officers and are given to industry and public groups as well.

BUDGET ISSUE:

During the 1990-91 biennium it is anticipated that several liquor control division employees will retire leaving a severe gap in the administration and ongoing operation of program priorities. Severance pay and retirement costs will use up an abnormally large portion of this programs budget leaving the division with limited resources to carry out its licensing, enforcement and management activities.

EXPLANATION OF BUDGET REQUEST:

This program requests BASE level funding.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : LIQUOR CONTROL

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LIQUOR LICENSING	767	770	788	0	788	788	788	0	788	788
TOTAL EXPENDITURES	767	770	788	0	788	788	788	0	788	788
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	719	720	738	0	738	738	738	0	738	738
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	48	50	50	0	50	50	50	0	50	50
TOTAL FINANCING	767	770	788	0	788	788	788	0	788	788
POSITIONS BY FUND:										
GENERAL	19.0	19.0	19.0	0.0	19.0	19.0	19.0	0.0	19.0	19.0
TOTAL POSITIONS	19.0	19.0	19.0	0.0	19.0	19.0	19.0	0.0	19.0	19.0

ACTIVITY: LIQUOR LICENSING 1990-91 Biennial Budget
Program: LIQUOR CONTROL
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE:

This activity provides services in the following areas:

- * Issues, approves, and coordinates the registration of liquor licenses, permits, identification cards and video games of chance licenses.
- * Receives, processes and maintains records on all non-intoxicating and intoxicating liquor licensees in Minnesota relating to mandatory financial responsibility insurance (dram shop).
- * Maintains records of summons and complaints on all previous or pending civil litigation.
- * Collects license fees for all wholesale liquor and beer licenses, consumption and display permits, brand label registrations, and video games of chance licenses.
- * Conducts pre-license inspections and investigations.
- * Performs community relations work such as industry contacts, interaction with local law enforcement and licensing officials, and attendance at public meetings.
- * Maintains a data base used in the determination of licensing eligibility and disciplinary actions.

Statutory Reference: M.S. Ch. 340A.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Industry contacts	4,071	4,500	5,000	5,000
Law enforcement contacts	768	850	850	900
Meetings/seminars attendance	112	137	160	170
Liquor licenses suspended	3	4	5	8
Liquor licenses reprimanded	8	10	15	15
Liquor licenses fined	10	15	15	20

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Pre-license inspections	281	300	350	400
Investigations	305	350	400	450
Video game contacts	379	425	425	450
Video investigations	119	135	150	150
Licenses & permits processed & issued	23,798	24,200	24,200	24,200
Consumption & display permits	862	875	875	875
Retail liquor licenses	3,200	3,200	3,200	3,200
Brand labels	1,952	2,000	2,000	2,000
Druggist liquor permits	6	6	6	6
Ethyl alcohol permits	245	245	245	245
Identification cards	6,813	6,900	6,900	6,900

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Video games of chance Distributors	2	2	2	2
Operators	43	50	50	50
Stickers	1,727	1,750	1,750	1,750
Fines	5,900	6,500	7,000	7,000
Total revenue generated (000's)	\$ 863	\$ 915	\$ 915	\$ 915
Expenditures (000's)	767	770	788	788

CLIENTELE:

For the following clientele:

- Local jurisdictions
- Local law enforcement, sheriffs and police
- Federal bureau of alcohol, tobacco & firearms, U.S. customs and the federal trade commission
- State agencies
- Legislature
- Industry and trade organizations

PERFORMANCE INDICATORS

The activity provides the following services:

- Licensing procedures, liquor liability insurance information, interpretation of the liquor control act, court decisions, attorney general opinions, and statutory changes.
- Training and violation information.
- Exchange information, cooperative investigations and supply records and data.
- Exchange tax and license information and verify product identification and purity.
- Provide expertise on proposed legislation.
- Exchange statistical information and data, share information on liquor statutes and rules, supply speakers, maintain contact with suborganizations, communicate enforcement expectations and develop strategy to equalize and provide uniform and fair enforcement of the liquor act.
- Communicate daily with licensees, newspapers, radio and other media, expedite public complaints and investigate allegations.

REVENUE: This activity generates dedicated and non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - General	\$ 656	\$ 705	\$ 705	\$ 705
Dedicated - Special Revenue	207	210	210	210
Total	\$ 863	\$ 915	\$ 915	\$ 915

BUDGET REQUEST: This activity requests BASE level funding.

1990-91 B I E N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : LIQUOR CONTROL
BUDGET ACTIVITY : LIQUOR LICENSING

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	596	629	643	0	643	643	643	0	643	643
EXPENSES/CONTRACTUAL SRVCS	48	39	43	0	43	43	43	0	43	43
MISC OPERATING EXPENSES	41	42	42	0	42	42	42	0	42	42
SUPPLIES/MATERIALS/PARTS	7	10	10	0	10	10	10	0	10	10
CAPITAL EQUIPMENT	27	0	0	0	0	0	0	0	0	0

STATE OPERATIONS	719	720	738	0	738	738	738	0	738	738
LOCAL ASSISTANCE	48	50	50	0	50	50	50	0	50	50

TOTAL EXPENDITURES	767	770	788	0	788	788	788	0	788	788

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
GENERAL	719	720	738	0	738	738	738	0	738	738
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	48	50	50	0	50	50	50	0	50	50

TOTAL FINANCING	767	770	788	0	788	788	788	0	788	788

POSITIONS BY FUND:										

GENERAL	19.0	19.0	19.0	0.0	19.0	19.0	19.0	0.0	19.0	19.0

TOTAL POSITIONS	19.0	19.0	19.0	0.0	19.0	19.0	19.0	0.0	19.0	19.0

PROGRAM: ANCILLARY SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request with the following exceptions: the Children's Trust Fund activity and the Crime Victims' Services activity should continue to be funded according to current practice.

PROGRAM PURPOSE:

This program consists of 5 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, children's trust fund, emergency response commission and the pipeline safety activity. 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:

The crime victims services provides financial aid to 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 also includes the office of crime victims ombudsman which investigates complaints regarding treatment of victims by the criminal justice system.

The 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. The board interviews and investigates applicants and approves or denies their license requests.

The purpose of the emergency response activity is to ensure that state and local government and the public are aware of potential chemical hazards in their communities and that emergency plans are prepared and tested.

The children's trust fund activity was created to provide the funding base for child abuse prevention programs including information and education and coordination of local councils. This activity rewards grants to public and private nonprofit agencies for their work in maintenance of prevention programs.

The pipeline safety activity was established in 1987 to develop a quality assurance program for gas and hazardous liquid pipeline inspection, investigation and public education. The Governor established the Minnesota commission on pipeline safety in response to the broad public concern which was raised after the tragic pipeline rupture in Mounds View in 1986, to investigate all aspects of the safety of pipelines in Minnesota.

EXPLANATION OF BUDGET REQUEST:

This program has 4 CHANGE request items: \$72,000 in F.Y. 1990 and F.Y. 1991 and 2.0 positions for the crime victims services activity. \$289,000 in F.Y. 1990 and \$449,000 in F.Y. 1991 and 8.0 positions for pipeline safety. \$102,000 in F.Y. 1990 and F.Y. 1991 from the General Fund and 2.0 positions for the children's trust fund activity. \$313,000 in F.Y. 1990 and \$278,000 in F.Y. 1991 and 3.0 positions for the emergency response commission.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PIPELINE SAFETY	266	445	386	289	675	675	386	449	835	835
B OFFICE OF PIPELINE SAFETY- CHANGE IN GEN FUNDING				<260>		<260>		<260>		<260>
B OFFICE OF PIPELINE SAFETY- CHANGE INSREV FUNDING				260		260		260		260
B OFFICE OF PIPELINE ADDITIONAL FUNDING OFSREV ACTIVITY				289		289		449		449
CRIME VICTIMS REPAR	1,584	1,897	1,873	72	1,945	1,873	1,873	72	1,945	1,873
B CRIME VICTIMS OMBUDSMAN- CHANGE IN GEN FUNDING				72		0		72		0
CHILDRENS TRUST FUND	291	570	589	2	591	589	596	62	658	596
B CHILDREN'S TRUST FUND ACITIVITY- CHANGE GEN IN FUNDING				102		0		102		0
B CHILDREN'S TRUST FUND ACITIVITY- CHANGESREV IN FUNDING				<100>		0		<100>		0
B CHILDREN'S TRUST FUND ACTIVITY- CHANGESREV IN FUNDING				0		0		60		0
EMERGENCY RESPONSE COMM	98	128	129	313	442	442	129	272	401	401
B EMERGENCY RESPONSE COMMISSION-DATA GEN MANAGEMENT				313		313		272		272
PRIVATE DETECTIVE BD	40	55	55	0	55	55	55	0	55	55
TOTAL EXPENDITURES	2,279	3,095	3,032	676	3,708	3,634	3,039	855	3,894	3,760
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,139	1,372	1,359	227	1,586	1,412	1,359	186	1,545	1,371

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SPECIAL REVENUE	554	1,076	1,087	449	1,536	1,636	1,094	669	1,763	1,803
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	139	147	155	0	155	155	155	0	155	155
FEDERAL	447	500	431	0	431	431	431	0	431	431
TOTAL FINANCING	2,279	3,095	3,032	676	3,708	3,634	3,039	855	3,894	3,760
POSITIONS BY FUND:										
GENERAL	13.0	14.0	14.0	2.0	16.0	12.0	14.0	2.0	16.0	12.0
SPECIAL REVENUE	2.0	2.0	2.0	7.0	9.0	11.0	2.0	11.0	13.0	15.0
FEDERAL	4.0	4.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	19.0	20.0	18.0	9.0	27.0	25.0	18.0	13.0	31.0	29.0

ACTIVITY: PIPELINE SAFETY
Program: ANCILLARY SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

PURPOSE

The mission of the Minnesota office of pipeline safety (MnOPS) is to protect lives and property through implementation of a quality assurance program of gas and hazardous liquid pipeline inspection, investigation and public education.

- * Enforcement of minimum safety standards for the transportation of natural gas by pipeline within the state. This involves the annual comprehensive inspection of 28 natural gas operators, whose systems are comprised of approximately 17,560 miles of main and 1,079,850 natural gas services. This also includes one liquid natural gas (LNG) plant.
- * Enforcement of minimum safety standards for the transportation of liquefied petroleum gas (LPG) by pipeline within the state. This activity will ultimately involve approximately 700 liquid petroleum gas operators supplying propane to mobile home parks, campgrounds, resorts, other occupancies with 10 or more customers and installations which cross public ways and roads.
- * Enforcement of minimum safety standards for the transportation of hazardous liquids by pipeline within the state.
- * Damage prevention involves membership in gopher state one-call, contractor awareness, public education and prevention of damage to pipelines of all types.
- * Provide operator pipeline mapping, emergency response plans, procedural manuals, notices of test and product in pipeline, and records of pipeline releases. This data is essential for trend analysis and safety evaluations, to provide modern state of the art pipeline safety procedures to the operators, and to allow MnOPS to conduct effective public education program for Minnesota citizens.
- * Pipeline safety planning, training, trend analysis, assuring activity eligibility for maximum federal grant allocations and assurance that the MnOPS moves expeditiously to obtain federal agent status for inspection of all jurisdictional interstate gas and hazardous liquid pipelines.

Statutory References: M.S. 216D.01 to 216D.07, 299F.56 to 299F.64, 299J.01 to 299J.18

RECENT BUDGET HISTORY:

This activity was mandated in 1987, in response to the tragic deaths of two people in Mounds View, in July, 1986. A hazardous liquid (gasoline) pipeline rupture and fire incident occurred as a result of inadequate maintenance and federal inspection of this interstate pipeline. Governor Perpich established the Minnesota commission on pipeline safety to respond to the broad public concern which was raised, and to investigate all aspects of the safety of pipelines operating in Minnesota. Their findings led to 1987 and 1988 legislation which mandate MnOPS to obtain federal agent status for the inspection of both intrastate and interstate gas and hazardous liquid pipelines in Minnesota.

MnOPS, from the state fire marshal division, and inadequate intrastate natural gas pipeline inspection program. The 1987 legislation also authorized an additional complement of three for MnOPS.

OBJECTIVES AND EFFECTIVENESS MEASURES:

Since this is a new activity with no established indicators, these effectiveness measures will be evaluated at the end of the biennium.

- * Conduct initial comprehensive inspections of all 28 intrastate gas operators with particular attention to the last seven years of records pertaining to leakage surveys, corrosion control records, maximum allowable operating pressure, key/critical valves, relief devices, leak reporting, damage prevention, and training and qualification records of personnel. Set up two and one half year cycle for reinspections.
- * Conduct annual inspections of all jurisdictional intrastate hazardous liquid operators.
- * Conduct annual inspections of jurisdictional liquid natural gas facilities.
- * Conduct annual technical inspections of all jurisdictional propane operators.
- * Seek and maintain 100% membership and cooperation with the Minnesota one-call system as part of an ongoing damage prevention program.
- * Receive and maintain a record of 100% of reportable pipeline releases, and investigate for cause in case of death, serious injury or large dollar loss.
- * Promulgate and implement all mandated rules for collection of fees, safety regulations, enforcement actions, local government emergency planning and a model setback ordinance.
- * Obtain federal agent status to have jurisdiction for pipeline safety inspections of the 17 interstate natural gas and hazardous liquid operators and to implement a comprehensive inspection program for these operators.

ACCOMPLISHMENTS:

- * Designed and implemented a comprehensive inspection format for all jurisdictional natural gas and liquefied petroleum gas operators.
- * Obtained federal agent status for the inspection of all intrastate hazardous liquid pipelines.
- * Obtained authority to inspect intrastate liquid natural gas plants.
- * Obtained authority to inspect all jurisdictional liquefied petroleum gas operators.
- * Redefined manageable inspection units.
- * Reclassified pipeline safety inspector positions and hired new inspectors with engineering degrees and pipeline experience.

ACTIVITY: PIPELINE SAFETY
 (Continuation)
 Program: ANCILLARY SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

- * Assisted with formation of Gopher State One-Call, Inc. and promotion of a statewide one-call damage prevention program.
- * Developed comprehensive operator handbook to explain both regulatory codes and application of same by the MnOPS.
- * Developed a long range organizational plan to assure proper organization and staffing to obtain federal agent status for interstate gas and hazardous liquid pipeline safety inspection and assure a user fee funding means for same.
- * Prepared and submitted appropriate documentation to assure federal agent certification and to obtain the maximum possible federal grant funding for the intrastate gas and hazardous liquid pipeline safety program.

FUNDING SOURCES:

This activity is funded from a federal grant from the U.S. department of transportation, office of pipeline safety, based upon Minnesota receiving yearly certification and agreement for inspection of intrastate gas and hazardous liquid pipelines. It is anticipated the entire MnOPS budget will be comprised of approximately 15% federal grant dollars and 85% dedicated revenue from the pipeline safety account. This is a change from F.Y. 1988 and F.Y. 1989 when this activity was funded from a combination of federal grant dollars and general revenue funds.

BUDGET ISSUE:

In order to receive federal funds and authority for interstate pipeline inspections, the agency must have an effective operating activity in place for doing the inspections. This means positions must be authorized and people hired and trained before the federal department of transportation grants final authority to Minnesota.

REVENUE:

This activity generates dedicated revenue to the pipeline safety account.

Type of Revenue:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Dedicated-Special	\$ 12	\$ 328	\$ 260	\$ 260

BUDGET REQUEST:	(Dollars in Thousands)			
	F.Y. 1990	Positions	F.Y. 1991	Positions
Change in activity funding				
General Revenue	\$ (260) 549	-0- 13.0	\$ (260) 709	-0- 13.0

1990-91 BIENN BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES
BUDGET ACTIVITY : PIPELINE SAFETY

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	182	311	285	133	418	418	285	277	562	562
EXPENSES/CONTRACTUAL SRVCS	15	42	8	49	57	57	8	51	59	59
MISC OPERATING EXPENSES	31	70	87	57	144	144	87	94	181	181
SUPPLIES/MATERIALS/PARTS	7	12	6	16	22	22	6	5	11	11
CAPITAL EQUIPMENT	31	10	0	34	34	34	0	22	22	22
TOTAL EXPENDITURES	266	445	386	289	675	675	386	449	835	835
CHANGE REQUESTS: FUND										
B OFFICE OF PIPELINE SAFETY- CHANGE IN GEN FUNDING				<260>		<260>		<260>		<260>
B OFFICE OF PIPELINE SAFETY- CHANGE INSREV FUNDING				260		260		260		260
B OFFICE OF PIPELINE ADDITIONAL FUNDING OFSREV ACTIVITY				289		289		449		449
TOTAL CHANGE REQUESTS				289		289		449		449
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	174	328	260	<260>	0	0	260	<260>	0	0
SPECIAL REVENUE	0	0	0	549	549	549	0	709	709	709
STATUTORY APPROPRIATIONS:										
FEDERAL	92	117	126	0	126	126	126	0	126	126
TOTAL FINANCING	266	445	386	289	675	675	386	449	835	835
POSITIONS BY FUND:										
GENERAL	5.0	5.0	5.0	<5.0>	0.0	0.0	5.0	<5.0>	0.0	0.0
SPECIAL REVENUE	0.0	0.0	0.0	9.0	9.0	9.0	0.0	13.0	13.0	13.0
FEDERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES
BUDGET ACTIVITY : PIPELINE SAFETY

POSITIONS BY FUND:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	7.0	7.0	7.0	4.0	11.0	11.0	7.0	8.0	15.0	15.0

CHANGE REQUEST

Agency _____ Program _____ X Activity _____

AL...: PIPELINE SAFETY
 PROGRAM: ANCILLARY SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: PIPELINE SAFETY INSPECTION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ (260)	(5.0)	\$ (260)	(5.0)
Special Revenue Fund	549	13.0	709	13.0

Governor's Recommendation

General Fund	\$ (260)	(5.0)	\$ (260)	(5.0)
Special Revenue Fund	549	13.0	709	13.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests a change in activity funding from the General Fund to the special revenue pipeline safety account and an increase to fund 8.0 positions. The objective is to be able to seek and obtain federal agent status for the inspection of all jurisdictional intrastate and interstate gas and hazardous liquid pipelines. In order to get federal authority the state must first have positions hired and trained to do the inspections.

DESCRIPTION/BACKGROUND:

The findings of the governor's commission on pipeline safety led to the passage in 1987 and 1988 of legislation which mandate the commissioner of public safety to seek and obtain federal agent status for the inspection of both intrastate and interstate gas and hazardous liquid pipelines in Minnesota.

This legislation created the Minnesota office of pipeline safety (MnOPS), authorized 3.0 positions, and transferred existing intrastate natural gas pipeline safety staff from the fire marshal division. The legislation further directed the commissioner of public safety to seek and obtain federal agent status for enforcement of interstate gas and hazardous liquid pipeline safety in accordance with the federal natural gas pipeline safety act (NGPSA) of 1968 and the federal hazardous liquid pipeline safety act (HLPESA) of 1979.

The 1988 Legislature clearly directed the MnOPS to expand its activity, because of a combination of past federal dissatisfaction with the natural gas intrastate pipeline safety program, and because of the need for additional authority to be granted in order to get federal agent status. The legisla-

or more customers, liquid natural gas facilities involved with interstate natural gas distribution operators, and intrastate hazardous liquid pipeline operators.

RATIONALE:

With the addition of liquefied petroleum gas (propane) inspections, redefined natural gas inspection units, implementation of a new federally mandated inspection program, new construction inspection and plan review, it is anticipated that 800 additional operators will need to be comprehensively inspected yearly. Federal requirements mandate that these activities first be accomplished in order to qualify to seek federal agent status. Federal authorities expect Minnesota to request such status by October, 1990.

This entire activity has the support of the regulated operators as well as the federal office of pipeline safety. Failure to approve this activity CHANGE request will result in an inability to achieve federal interstate agent status and reinstatement of federal decertification efforts.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 174	\$ 328	\$ 260	\$ 260

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	-0-	-0-	-0-
Special Revenue	\$ 761	\$ 761	\$ 1,522

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: CRIME VICTIMS SERVICES
 Program: ANCILLARY SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

This activity provides three distinct services for crime victims:

- * Staffing and management of the 15 member Crime Victim and Witness Advisory council, including professional training and education regarding crime victims, policy formulation, leadership and implementation, and interagency coordination of activities.
- * Administration of the 5 member Crime Victims Reparations Board, including the opening and investigation of claims, the determination of eligibility, the awarding or denying of benefits, coordination with local courts, and professional and public education.
- * The Office of Crime Victims Ombudsman, which investigates complaints regarding the treatment of victims by the criminal justice system and provides statewide referral for victims of crimes.

Statutory Reference: M.S. 611A.51 to 611A.75

OBJECTIVES:

- * Improve treatment of victims by the criminal justice system.
- * Prevent out-of-pocket financial loss to victims of crime.
- * Assure availability of necessary programs and services to crime victims.
- * Increase cognizance of and compliance with crime victims rights.
- * Provide central referral for crime victims.

RECENT BUDGET HISTORY

In the 1988-89 biennium, the activity budget was dramatically increased through the appropriation of newly allocated criminal fine surcharges and assessments (authorized under M.S. 609.101). Needs were generally met through this budgetary expansion and through establishment of a protocol for prorating claims exceeding appropriations. The reparations program, previously plagued by annual shortfalls, has been able to operate within the prescribed budget.

The Crime Victim and Witness Advisory Council has benefited greatly from the addition of three positions in the last biennium. These positions have been funded by reducing the amount available for reparations claims by approximately \$45,000 per year and using those funds to assure a complete staff complement.

BUDGET ISSUE

The Office of Crime Victims Ombudsman was established in 1985. It has been funded through a \$78,000 annual grant of federal monies authorized by the federal victims of crime act. This allocation is matched by a state funded administrative and cash contribution of 30%. The federal monies are subgranted through the Minnesota Department of Corrections.

It was established to determine whether compliance with victims rights could

be enhanced by a strong investigative/advocacy capacity in state government. In light of the plentiful federal funding available at the time, it was decided to use federal program monies to support the program with the administration of the reparations board and advisory council providing the one-third match required to qualify for the federal funds under the victims of crime act. There was a clear intention at that time to evaluate the ombudsman's office at the end of the 1988-89 biennium in order to ascertain its appropriateness as a state funded operation.

After three years of operation, the ombudsman program has handled many complaints and has established a clientele in the state of Minnesota. Continued federal funding is uncertain and it is difficult establishing a one-third cash match for federal dollars. Therefore, the Office of Crime Victims Ombudsman should be a state funded activity.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Crime Victims Reparations Board				
Claims filed	664	700	700	700
Claims awarded	427	550	550	550
Supplementary awards	356	415	532	595
Average process time (mos.)	4.10	3.5	3.5	3.5
(Median)	3.00	3.0	3.0	3.0
Claims denied/withdrawn/ abandoned	356	375	395	415
Claims processed	1,139	1,200	1,350	1,500
Appeal hearings	8	10	10	10
Office of Crime Victims Ombudsman				
Complaints received	247	250	265	275
Investigations conducted	150	160	165	175
Average process time	30 days	30 days	30 days	30 days
Number of contacts	573	600	625	650

<u>BUDGET REQUEST:</u>	<u>F.Y. 1990</u>	<u>Positions</u>	<u>F.Y. 1991</u>	<u>Positions</u>
Funding of Crime Victims Ombudsman office	\$ 72	2.0	\$ 72	2.0

1990-91 B I E N L B U D G E T
(DOLLARS (THOUSANDS))

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES
BUDGET ACTIVITY : CRIME VICTIMS REPAR

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	194	194	191	56	247	191	191	56	247	191
EXPENSES/CONTRACTUAL SRVCS	29	41	31	10	41	31	31	10	41	31
MISC OPERATING EXPENSES	1,350	1,653	1,644	5	1,649	1,644	1,644	5	1,649	1,644
SUPPLIES/MATERIALS/PARTS	4	9	7	1	8	7	7	1	8	7
CAPITAL EQUIPMENT	7	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	1,584	1,897	1,873	72	1,945	1,873	1,873	72	1,945	1,873
CHANGE REQUESTS: FUND										
B CRIME VICTIMS OMBUDSMAN- FUNDING					72				72	0
TOTAL CHANGE REQUESTS					72				72	0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	827	861	915	72	987	915	915	72	987	915
SPECIAL REVENUE	273	550	550	0	550	550	550	0	550	550
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	132	132	132	0	132	132	132	0	132	132
FEDERAL	352	354	276	0	276	276	276	0	276	276
TOTAL FINANCING	1,584	1,897	1,873	72	1,945	1,873	1,873	72	1,945	1,873
POSITIONS BY FUND:										
GENERAL	5.0	6.0	6.0	2.0	8.0	6.0	6.0	2.0	8.0	6.0
FEDERAL	2.0	2.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	7.0	8.0	6.0	2.0	8.0	6.0	6.0	2.0	8.0	6.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: CRIME VICTIMS SERVICES
 PROGRAM: ANCILLARY SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: CRIME VICTIMS OMBUDSMAN

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 72	2.0	\$ 72	2.0
Governor's Recommendation				
General Fund	\$ -0-	2.0	\$ -0-	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts and positions in order to continue to operate the Office of Crime Victims Ombudsman as part of the crime victims programs. Such funding would allow continuation of current level of investigatory and advocacy services to victims of crime who have exhausted local resources.

DESCRIPTION/BACKGROUND:

The ombudsman's office operates with 2.0 professional staff positions, a full-time clerical position and a part-time intern. Additionally, unpaid interns and trained volunteers supplement the efforts of the program. The activity began with two federally funded positions. Its growth necessitated transfer of a position from another activity. This request would provide state funding for the 2.0 federally funded positions.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Complaints received	247	250	265	275
Investigations conducted	150	160	165	175
Average process time	30 days	30 days	30 days	30 days
Number of contacts	573	600	625	650

RATIONALE:

The Office of Crime Victims Ombudsman was established in 1985 in order to provide investigative and advocacy services for crime victims. As the public and professionals in the criminal justice system have recognized the utility

and helpfulness of the ombudsman function, requests for assistance and the submission of complaints for investigation have steadily increased. In addition, requests for information and referral and professional training have also increased.

Federal funding has supported the program with required state administrative and cash match of 30%. It is becoming exceedingly difficult to maintain this match and availability of federal funding is limited. Additionally, the limited scope of activities permissible under the federal funding have restricted the office's efforts in the area of training and public education.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ -0-	\$ 26	\$ 28	\$ 28
Federal Fund	68	78	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 72	\$ 72	\$ 144

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the request for 2.0 additional positions but no additional funding is recommended. The positions should be funded from BASE level appropriations.

ACTIVITY: CHILDREN'S TRUST FUND
 Program: ANCILLARY SERVICES
 Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The children's trust fund was established for the prevention of child abuse and neglect.

GRANTS IN AID:

1) Children's Trust Fund Grants:

Statutory References: M.S. 299A.20, 15.059, 144.226

The purpose of the children's trust fund is to provide a dedicated source of funding for programs engaged in the primary and secondary prevention of child maltreatment. Grants to public and private non-profit agencies are awarded annually. This activity is required to:

- * Establish and publish criteria for the distribution of trust fund monies.
- * Authorize local councils to review and rank grant applications.
- * Review and award grants to public and private nonprofit agencies.
- * Monitor grant recipient performance.

The responsibilities of the children's trust fund are accomplished with the advice and direction of a 15-member advisory council. Funds for this activity are generated from a \$3 surcharge for each certified copy of a birth certificate issued, and from the receipt of gifts, donations and bequests.

<u>Statistics:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Administrative costs	\$ 98	\$ 101	\$ 100	\$ 100
<u>Grants by Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Childrens Trust Fund	\$ 150	\$ 381	\$ 426	\$ 444

BUDGET ISSUES:

In addition to the grants, this activity is directed to provide:

- * Coordination and exchange of information on the establishment and maintenance of prevention programs.
- * Statewide educational and public information seminars.
- * Child abuse and neglect prevention information.
- * Technical assistance to local councils and agencies working in the area of maltreatment prevention.

* Recommendations to the Governor and legislature on changes in state programs, statutes, policies, budgets, and standards that will reduce the problems of child maltreatment, improve coordination among state agencies that provide prevention services and improve the condition of children, parents or guardians in need of prevention programs and services.

These responsibilities have received minimal attention due to limited operating funds. It is hoped that in the future more resources can be dedicated for these purposes.

<u>BUDGET REQUEST:</u>	<u>F.Y. 1990</u>	<u>Positions</u>	<u>F.Y. 1991</u>	<u>Positions</u>
Funding of children's trust fund office from General Fund	\$ 102	2.0	\$ 102	2.0
Special Revenue Grants	-0-	-0-	60	-0-

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES
BUDGET ACTIVITY : CHILDRENS TRUST FUND

EXPENDITURES:	FY 1988		FY 1989		F.Y. 1990			F.Y. 1991				
					AGENCY REQUEST		GOVERNOR'S	AGENCY REQUEST			GOVERNOR'S	
	BASE	CHANGE	BASE	CHANGE	BASE	CHANGE	TOTAL	RECOMM.	BASE	CHANGE	TOTAL	RECOMM.
DETAIL BY CATEGORY:												
STATE OPERATIONS:												
PERSONAL SERVICES	73		76		76	1	77	76	76	1	77	76
EXPENSES/CONTRACTUAL SRVCS	22		49		55	0	55	55	55	0	55	55
MISC OPERATING EXPENSES	12		19		20	1	21	20	20	1	21	20
SUPPLIES/MATERIALS/PARTS	1		1		1	0	1	1	1	0	1	1
STATE OPERATIONS	108		145		152	2	154	152	152	2	154	152
LOCAL ASSISTANCE	183		425		437	0	437	437	444	60	504	444
TOTAL EXPENDITURES	291		570		589	2	591	589	596	62	658	596
CHANGE REQUESTS:												
B CHILDREN'S TRUST FUND ACITIVITY- CHANGE GEN IN FUNDING							102			102		0
B CHILDREN'S TRUST FUND ACITIVITY- CHANGESREV IN FUNDING							<100>			<100>		0
B CHILDREN'S TRUST FUND ACTIVITY- CHANGESREV IN FUNDING							0			60		0
TOTAL CHANGE REQUESTS							2			62		0
SOURCES OF FINANCING:												
DIRECT APPROPRIATIONS:												
GENERAL	0		0		0	102	102	0	0	102	102	0
SPECIAL REVENUE	281		526		537	<100>	437	537	544	<40>	504	544
STATUTORY APPROPRIATIONS:												
SPECIAL REVENUE	7		15		23	0	23	23	23	0	23	23
FEDERAL	3		29		29	0	29	29	29	0	29	29
TOTAL FINANCING	291		570		589	2	591	589	596	62	658	596
POSITIONS BY FUND:												

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES
BUDGET ACTIVITY : CHILDRENS TRUST FUND

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	0.0	0.0	0.0	2.0	2.0	0.0	0.0	2.0	2.0	0.0
SPECIAL REVENUE	2.0	2.0	2.0	<2.0>	0.0	2.0	2.0	<2.0>	0.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

CHANGE REQUEST

Agency _____ Program _____ X Activity

1990-91 Biennial Budget

Y: CHILDREN'S TRUST FUND
 PROGRAM: ANCILLARY SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: ADMINISTRATIVE COSTS FROM THE GENERAL FUND, AND INCREASE ADVISORY COUNCIL MEMBERSHIP

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 102	2.0	\$ 102	2.0
Special Revenue	(100)	(2.0)	(100)	(2.0)
Special Revenue Grants	-0-	-0-	60	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Special Revenue	-0-	-0-	-0-	-0-
Special Revenue Grants	-0-	-0-	-0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. Section 299A.23, subd.2.

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these monies to provide a direct appropriation from the General Fund, and to provide per diem and travel reimbursement costs for 3 additional members to the advisory council.

DESCRIPTION/BACKGROUND:

In 1986 the enabling legislation authorized the department to keep up to 5% of the trust fund money collected yearly for administering and carrying out the responsibilities of the act, however it allowed a \$75,000 appropriation for F.Y. 1987 from the trust fund. For F.Y., 1988 and 1989 this was changed to \$100,000 each year appropriated from the children's trust fund to administer the activity.

This request also increases the number of members appointed to the state council by the Governor from 7 to 10 so that a majority of members are representatives of nongovernmental agencies. Local councils are required by statute to have the majority of their council composed of members who do not represent public agencies.

RATIONALE:

Criticism has been expressed regarding the composition of the state advisory council, that citizen representation should constitute a majority. There-

fore, to be effective and to represent the various constituencies described in statute by increasing the number of members appointed by the Governor from 7 to 10. A majority representation from nonpublic agencies will also provide for more of a nongovernmental perspective when recommending grant and that is more in keeping with legislative intent.

By funding the administrative costs of this activity from the general fund, an estimated \$60,000 in additional funds will be available for grants from the children's trust fund.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Children's Trust Fund	\$ 98	\$ 101	\$ 100	\$ 100
Children's Trust Fund Grants	150	381	426	444

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 102	\$ 102	\$ 204
Children's Trust Fund Grants	504	504	1,008

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request. Rather, funding for administrative costs should continue from the Special Revenue Fund.

ACTIVITY: EMERGENCY RESPONSE COMMISSION
Program: ANCILLARY SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

- * Appoint and supervise seven local emergency planning committees, each of which includes nine members established to review and coordinate emergency plans prepared by counties and cities for responding to hazardous chemical incidents.
- * Receive and process hazardous chemical lists, inventory forms, and toxic chemical release forms submitted annually by handlers of hazardous chemicals.
- * Provide information to the public as required under "community right-to-know."
- * Coordinate with the division of emergency management in conducting training sessions throughout the state for planners, regulated facilities, emergency responders, and the public.
- * Coordinate with state agencies in establishing a network to respond to public requests for additional health and environmental information.

The emergency response commission consists of the commissioners of public safety, health, agriculture and pollution control and representatives of emergency response organizations, health professionals, community groups, labor, waste treatment operators, elected officials, and business and industry.

Commission staff consists of a director and secretary. The division of emergency management provides staff support for local emergency planning committees through six regional program coordinators.

Statutory Reference: M.S. 299F.091 to 299F.099.

BUDGET HISTORY:

The emergency response commission was established in April, 1987, to develop and direct the state program required under the federal emergency planning and community right-to-know act (title III of the superfund amendments and reauthorization act of 1986). This law is designed to ensure that the public and government are aware of potential chemical hazards in their communities and that emergency response plans are prepared and tested. The federal act expands Minnesota's firefighters right-to-know law into a broader community right-to-know concept. In 1986, the Minnesota legislature passed the firefighter right-to-know legislation which created a hazardous substances notification advisory committee in the department of public safety. The Governor has designated that advisory committee, with some additions, to be the state emergency response commission under the federal act.

BUDGET ISSUES:

1. At the existing budget level, the commission has limited ability to pro-data submitted by facilities and to make such information readily able to the public, planners, emergency responders, and other state

agencies. The number of facilities regulated by the law will increase during F.Y. 1990 which will substantially increase this activity's data processing needs. It has been estimated that up to 30,000 facilities may be required to submit hazardous chemical forms in F.Y. 1990. Emergency responders and local emergency planning committee offices need to have access to information collected on hazardous chemical forms on a timely basis.

2. Local emergency planning committees consist of volunteers who receive no expense reimbursement. Compliance is a concern as additional types of facilities become subject to the reporting requirements of the law. The seven local emergency planning committees need funding and administrative support to enhance the program statewide and maintain the high level of commitment, quality and compliance.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of facilities filing				
Subject to emergency planning	1,100	2,000	2,500	3,000
Emergency release reports	16	50	50	50
Hazardous chemical lists	1,000	1,500	10,000	15,000
Hazardous chemical inventories	700	1,500	10,000	15,000
Toxic chemical release forms	-	300	400	500

Training courses*:

Regulated facilities	19	6	6	-
Local emergency committees	1	7	7	-
Public risk assessment	-	10	10	-

* Coordinated with division of emergency management and other state agencies. Dependent on federal emergency management agency funding with state match 20%.

REVENUE:

This activity does not generate revenue.

BUDGET REQUEST: (Dollars in Thousands)

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Hazardous substance data mgmt.	\$ 313	\$ 3	\$ 272	\$ 3

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES
BUDGET ACTIVITY : EMERGENCY RESPONSE COMM

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	67	78	79	117	196	196	79	117	196	196
EXPENSES/CONTRACTUAL SRVCS	11	19	19	95	114	114	19	120	139	139
MISC OPERATING EXPENSES	7	21	21	29	50	50	21	28	49	49
SUPPLIES/MATERIALS/PARTS	4	4	4	7	11	11	4	6	10	10
CAPITAL EQUIPMENT	9	6	6	65	71	71	6	1	7	7

TOTAL EXPENDITURES	98	128	129	313	442	442	129	272	401	401

CHANGE REQUESTS:	FUND									
B EMERGENCY RESPONSE COMMISSION-DATA GEN MANAGEMENT				313		313		272		272

TOTAL CHANGE REQUESTS				313		313		272		272

SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	-----									
GENERAL	98	128	129	313	442	442	129	272	401	401

TOTAL FINANCING	98	128	129	313	442	442	129	272	401	401

POSITIONS BY FUND:	-----									
GENERAL	2.0	2.0	2.0	3.0	5.0	5.0	2.0	3.0	5.0	5.0

TOTAL POSITIONS	2.0	2.0	2.0	3.0	5.0	5.0	2.0	3.0	5.0	5.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: EMERGENCY RESPONSE COMMISSION
 PROGRAM: ANCILLARY SERVICES
 AGENCY: PUBLIC SAFETY, DEPARTMENT OF

REQUEST TITLE: HAZARDOUS SUBSTANCE DATA MANAGEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 313	3.0	\$ 272	3.0

Governor's Recommendation

General Fund	\$ 313	3.0	\$ 272	3.0
--------------	--------	-----	--------	-----

Request requires statutory change: X Yes _____ No
 Statutes Affected: New legislation in M.S. Chapter 299F

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above positions and funds to enhance its capabilities for processing hazardous chemicals information submitted under the federal emergency planning and community right-to-know act, to provide administrative funds for 7 local emergency planning committees and to provide for training, data analysis, and inspection activities.

DESCRIPTION/BACKGROUND:

When the fire fighters right-to-know legislation was passed this activity began on a small scale to administer its hazardous reporting requirements. The federal community right-to-know legislation increased the scope and requirements of this activity. The emergency response commission receives and processes hazardous chemical lists, inventory forms, and toxic chemical release forms from companies throughout Minnesota that handle or store hazardous chemicals. The intent of the enabling legislation is that this information be accessible to local planning committees and the public for emergency planning and response. It has been estimated that the number of facilities regulated by the law will increase by F.Y. 1990 to 30,000. The information is currently collected, processed, stored and transmitted on hardcopy, which significantly limits access to the information.

The commission has established 7 local emergency planning committees as required by the legislation. These 7 committees review and coordinate emergency plans submitted by local government. They are the official local contacts for public access to the hazardous substances information.

RATIONALE:

In order to comply with those mandates, the commission needs additional staff to entry, training, data analysis, facility inspections and coordina-

tion among local government and local emergency planning committees. This budget request will provide for computerization of the processing and transmission of data. The computer system will consist of a network connecting the commission's St. Paul office with local emergency planning committee offices. Data will be uploaded to a mainframe and be available statewide through the criminal justice information system. With the installation of the computer system the commission can more efficiently process the tremendous number of hazardous chemical reports submitted. This information will be accessible to local planning commissions, responders, and the public on a more timely basis.

The 63 members of the local emergency planning committees presently volunteer their services. This budget request will provide for reimbursement of expenses associated with committee meetings. It will also provide administrative funds for local emergency planning committees, for copying reports and plans and printing public notices.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 98	\$ 128	\$ 129	\$ 129

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 272	\$ 272	\$ 544

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request. It is expected that data processing costs will be recovered through fees starting during the second year of the biennium.

ACTIVITY: PRIVATE DETECTIVE BOARD
Program: ANCILLARY SERVICES
Agency: PUBLIC SAFETY, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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 meets monthly and in special session to carry out the licensing functions and to review applications, interview applicants and issue licenses. Board composition 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.

The activity is responsible for:

- * Regulatory functions related to the investigation and resolution of citizen complaints.
- * Investigation of irregularities in the financial, professional and legal conduct of the license holder's business as it impacts on the consumer and broadened citizen community.
- * Interpretation and enforcement of a reasonable code of conduct and professionalism for the industry.
- * Disciplinary actions, license revocation and contested case hearings.

Statutory Reference: M.S. 326.33 to 326.339.

<u>EFFECTIVENESS MEASURES:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of complaints reviewed	31	34	36	40

<u>STATISTICS:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of applicants processed	170	187	195	205

BUDGET ISSUE:

The private detective and protective agent services board is currently drafting rules encompassing areas of administrative procedures, application review, complaints, conduct and ethics, training, sanctions and fees. These rules will also reflect the changing expectations of both private security and investigation companies in terms of industries needs, and the public's demands.

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated - General	\$ 59	\$ 65	\$ 65	\$ 65

BUDGET REQUEST:

This activity requests BASE level funding.

WAT

1990-91 B I ⁰ N I A L B U D G E T
(DOLLAR IN THOUSANDS)

AGENCY : PUBLIC SAFETY, DPT OF
PROGRAM : ANCILLARY SERVICES
BUDGET ACTIVITY : PRIVATE DETECTIVE BD

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	33	40	40	0	40	40	40	0	40	40
EXPENSES/CONTRACTUAL SRVCS	2	10	10	0	10	10	10	0	10	10
MISC OPERATING EXPENSES	4	4	4	0	4	4	4	0	4	4
SUPPLIES/MATERIALS/PARTS	1	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	40	55	55	0	55	55	55	0	55	55
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	40	55	55	0	55	55	55	0	55	55
TOTAL FINANCING	40	55	55	0	55	55	55	0	55	55
POSITIONS BY FUND:										
GENERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0

AGENCY: PEACE OFFICERS STANDARDS & TRAINING, BOARD OF 1990-91 Biennial Budget

AGENCY PURPOSE:

The peace officers standards and training board licenses peace officers and parttime peace officers.

OPERATIONS AND CLIENTELE:

- o Regulate preservice law enforcement education.
- o Insure compliance with hiring standards for peace officers and parttime peace officers.
- o Supervise peace officer continuing education.
- o Process and investigate complaints regarding the professional conduct of law enforcement officers.

OBJECTIVES:

- o Develop and administer licensing examinations for law enforcement candidates.
- o Provide technical assistance to postsecondary law enforcement programs and hiring agencies.
- o Investigate and process allegations of professional misconduct violations against law enforcement officers and allegations of the unauthorized practice of law enforcement.
- o Develop and coordinate continuing education for peace officers.
- o Defray, through reimbursement, the costs local governments incur in providing continuing education for their law enforcement officers.
- o Defray, through reimbursement, the costs the skills schools incur providing pre-service law enforcement education.
- o Increase the number of minorities and women who select law enforcement as a career.

EFFECTIVENESS MEASURES:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Tests administered:				
Academic	734	750	750	750
Skills	424	450	475	500
Reciprocity	81	150	175	200
Part-time peace officer	126	115	110	110
Skills reinstatement	79	85	100	120
Standards of conduct violations	23	45	50	50
Disciplinary actions	2	10	12	14
Unauthorized practice violations	3	6	10	12
Reimbursement to local units of government	435	435	435	435

ACTIVITY STATISTICS

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Law enforcement programs evaluated	22	21	21	21
Peace officer licenses issued	434	450	480	500
Continuing education:				
No. of course sponsors	314	345	360	360
No. of courses offered	1,178	1,295	1,360	1,360
No. of credits offered	11,739	12,894	13,926	13,926
Reimbursement to local units of government (000's)	\$ 2,434	\$ 2,849	\$ 2,849	\$ 2,849
Reimbursement to skills schools (000's)	\$ 271	\$ 317	\$ 317	\$ 317

REVENUE: This activity generates non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-dedicated - General	\$ 68	\$ 62	\$ 62	\$ 62

EXPLANATION OF BUDGET REQUEST:

The peace officers standards and training board requests complement authority for 2.0 positions in support of recruitment efforts of women and minorities into law enforcement.

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
BASE Level Request	\$ 7,280	\$ 7,280	3
Agency-wide CHANGE Requests	-0-	-0-	
Subtotal	\$ 7,280	7,280	
Program/Budget Activity CHANGE Requests	-0-	-0-	
Subtotal	\$ 7,280	7,280	
CHANGE Requests Subtotal	\$ -0-	-0-	
AGENCY Total	\$ 7,280	\$ 7,280	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PEACE OFFICER TRNG BD
PROGRAM : PEACE OFFICERS BOARD
BUDGET ACTIVITY : PEACE OFFICERS BOARD

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	287	344	344	56	400	400	344	56	400	400
EXPENSES/CONTRACTUAL SRVCS	51	72	81	0	81	81	81	0	81	81
MISC OPERATING EXPENSES	29	35	37	0	37	37	37	0	37	37
SUPPLIES/MATERIALS/PARTS	6	5	6	0	6	6	6	0	6	6
CAPITAL EQUIPMENT	12	13	1	0	1	1	1	0	1	1
REDISTRIBUTIONS	0	5	5	0	5	5	5	0	5	5
STATE OPERATIONS	385	474	474	56	530	530	474	56	530	530
LOCAL ASSISTANCE	2,705	3,166	3,166	<56>	3,110	3,110	3,166	<56>	3,110	3,110
TOTAL EXPENDITURES	3,090	3,640	3,640	0	3,640	3,640	3,640	0	3,640	3,640
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	3,076	3,600	3,600	0	3,600	3,600	3,600	0	3,600	3,600
FEDERAL	14	40	40	0	40	40	40	0	40	40
TOTAL FINANCING	3,090	3,640	3,640	0	3,640	3,640	3,640	0	3,640	3,640
POSITIONS BY FUND:										
SPECIAL REVENUE	9.0	9.0	9.0	2.0	11.0	11.0	9.0	2.0	11.0	11.0
TOTAL POSITIONS	9.0	9.0	9.0	2.0	11.0	11.0	9.0	2.0	11.0	11.0

CHANGE REQUEST X Agency Program Activity **1990-91 Biennial Budget**

ACTIVITY: PEACE OFFICERS STANDARDS AND TRAINING, BOARD OF
 PROGRAM: PEACE OFFICERS STANDARDS AND TRAINING, BOARD OF
 AGENCY: PEACE OFFICERS STANDARDS AND TRAINING, BOARD OF

REQUEST TITLE:

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue	\$ -0-	2.0	\$ -0-	2.0
Governor's Recommendation				
Special Revenue	\$ -0-	2.0	\$ -0-	-0-

Request requires statutory change: Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests 2.0 additional positions. The objective is to dedicate a full-time staff member to help increase the number of minorities and women who enter Minnesota law enforcement. The second position is needed for clerical support in recruiting, examining and licensing.

The agency requests that appropriations from the peace officers training account in the special revenue fund do not cancel at the end of a fiscal year but may be carried forward from 1 fiscal year to the next until the entire appropriation is expended.

DESCRIPTION/BACKGROUND:

For several years, the board of peace officer standards and training (POST) has recognized that minorities and women are underrepresented in Minnesota law enforcement. It has worked with the larger law enforcement agencies in the metropolitan area to develop an affirmative action recruiting team. The participating departments loaned officers to the POST Board for several months to develop brochures, create a slide tape presentation, consult with college faculty and administrators, counsel law enforcement students, and meet with community groups. However, there was a lack of continuity because of the constant turnover of loaned officers and there was no statewide perspective to their activities.

The POST board requires each law enforcement school to submit a semiannual affirmative action plan which includes a summary of the women and minorities in each program and an explanation of the recruiting efforts which the program conducted. The POST board has also worked with professional law enforcement associations to develop scholarship programs for minorities and women. To date, over 15 scholarships are available from these associations. Additionally, the POST board provides technical assistance to law enforcement

agencies in identifying possible employment barriers which could be discriminatory. All of this has had very limited success.

RATIONALE:

This agency has a unique role in bridging a variety of diverse law enforcement related constituencies: educational, governmental and professional. By adding a position dedicated to affirmative action goals in law enforcement, POST will be able to develop and implement a comprehensive statewide recruiting effort to increase minorities and women entering law enforcement. This position will provide the consistency and coordination which is needed to achieve this important goal.

The second position is needed for clerical support of the affirmative action program and to keep clerical operations current. With the increased number of continuing education courses, examinations, and licensed peace officers, current clerical resources are being exhausted. This problem is expected to peak to a severe level through the next biennium at the present staff level.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Revenue Fund	\$ 51	\$ 52	\$ 52	\$ 52

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PSPBPOS.C76
 12/22 pm

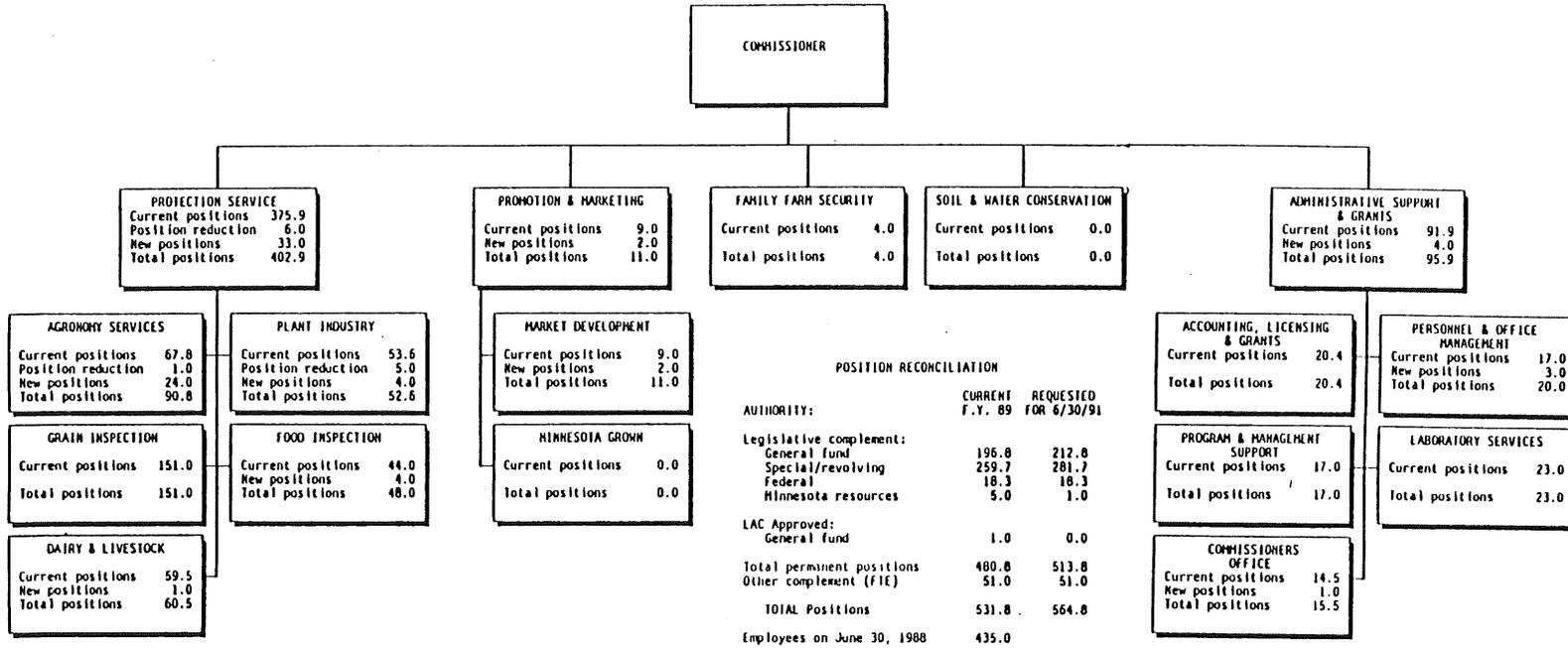
1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: AGRICULTURE, DEPARTMENT OF

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
PROTECTION SERVICE-----	Agronomy Services	6	11
	Plant Industry		21
	Grain Inspection		29
	Food Inspection		31
	Dairy and Livestock		38
PROMOTION AND MARKETING-----	Market Development		43
	Minnesota Grown		46
FAMILY FARM SECURITY-----	Family Farm Security		50
SOIL AND WATER CONSERVATION-----	Soil and Water Conservation		55
ADMINISTRATIVE SUPPORT AND GRANTS-----	Accounting, Licensing and Grants		60
	Personnel and Office Management		64
	Program and Management Support		68
	Laboratory Services		74
	Commissioner's Office		77

MINNESOTA DEPARTMENT OF AGRICULTURE



AGENCY PURPOSE:

The department of Agriculture is a service and regulatory agency which serves the producers, processors, distributors, and consumers of all agricultural products; develops and promotes markets for agricultural products; helps 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.

OPERATIONS 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 marketing assistance, to agricultural businesses wishing to sell their products in national 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. Promotion and Marketing.
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 a stable and viable agriculture in the state. Promotion and Marketing activities are directed toward assistance for businesses wishing to sell products in domestic markets, as well as encouraging agricultural diversification through the development and marketing of new products or commodities. The promotion of Minnesota produced products is a major part of this activity. 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 Administrative Support and Grants program provides for overall administration; policy and program coordination; and fiscal, personnel, planning and other support services. This program also administers the conservation reserve portion of the Reinvest in Minnesota program.

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 follow.

BUDGET ISSUES:

The department faces chronic underfunding in several areas:

1. Seasonal inspection services for ongoing as well as emergency programs;
2. The specific activities of apiary, laboratory services, and food inspection; and
3. The funding of salaries and supplemental insurance. Insufficient seasonal funds greatly hamper the department's capacity to provide adequate inspection services in times of emergencies. Three recent examples include food recalls, the discovery of veroa mite among Minnesota's bee industry, and the occurrence of drought caused aflatoxin in corn. This lack of sufficient seasonal funds hampers the department in providing the inspection services that are essential to meet health, safety and economic protection mandates. The Food Division faces a combination of increasing costs due to a significant increase in the number of licensed food establishments and more complex requirements at the same time that federal funds are decreasing. The result is a decreased capacity to conduct adequate basic food safety inspections. The situation precludes additional service work such as more testing of food products for pesticide residues. The apiary industry cannot support an adequate regulatory program through fees due to small size of the industry; General Fund appropriations are needed. The Laboratory faces underfunding for supplies and equipment replacement. The agency has had to manage positions at less than 97% filled to accommodate underfunding in salaries through the budget process and to pay for increased insurance and other costs which the agency has been directed to fund out of current appropriations. This has required the agency to stagger the filling of positions and thus less enforcement and service time is available.

Another budget issue is underfunded or unfunded statutory directives. Major areas include fertilizer regulation, market development, agricultural diversification, agricultural land preservation and conservation, and noxious weed control. The fertilizer control section is to carry out the current responsibilities; expanded authority is also required to inspect and take necessary regulatory actions. The commissioner of Agriculture was directed by Laws of 1987, Ch. 396, Art. 10, to promote the interests of agricultural producers and develop agricultural markets so that Minnesota products can be better marketed in local and domestic markets. Resources are insufficient to accomplish this mandate. Laws of Minnesota 1987 directed the commissioner to establish a program of agricultural diversification to assist producers. However, no funds were appropriated. The agricultural land preservation pilot program has ended. No monies are available for grants to counties, or to provide adequate technical assistance. The department has the authority to assist landowners and local governments in controlling noxious weed. However, there is no direct appropriation for this activity.

Expanding program needs are a third area. The rapid increase in pesticide and fertilizer incidents demands expanded efforts in incident response, water quality and regulatory monitoring, technical and educational assistance to producers, facilities and others involved in the industry. Increased efforts are required to assist producers in developing management practices that maintain profitability while protecting the environment. Efforts include the continuation of the low input/sustainable agriculture activity to develop the database and tools available to individual producers; and expanded plant pest survey program and other services orientated to management practices.

New and emerging program needs involve assisting with the transition to new pesticide and fertilizer management practices-both at the facility and producer levels. Another emerging area is the constant need to adopt regulatory inspection practices to the changes in a dynamic agricultural industry. The continual change in economic relationships, new technologies and products, etc., result in the need for greater laboratory sophistication, new equipment, additional staff, new skills as well as types of staff and enhanced training of personnel.

ATTORNEY GENERAL COSTS:

Fees for Legal Services Rendered	Actual		Agency Request	
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Fees Assessed	\$ 117	\$ 117	\$ 117	\$ 117
Fees Paid	83	83	83	83
Requested Budget	83	83	83	83

EXPLANATION OF BUDGET REQUEST:

The department is requesting total funding for the biennium of \$26,443,000 in F.Y. 1990 and \$25,773,000 in F.Y. 1991. Of these amounts, \$24,286,000 in F.Y. 1990 and \$23,765,000 in F.Y. 1991 are BASE level requests. The BASE includes dedicated and federal revenue of \$11,667,000 in F.Y. 1990 and \$11,146,000 in F.Y. 1991. The General Fund BASE level request is \$12,619,000 in F.Y. 1990 and \$12,619,000 in F.Y. 1991. The BASE level request for General Fund is partially offset in that the industry will pay non-dedicated fees into the General Fund of \$1,769,000 in each year for a total of \$3,538,000.

The department is submitting CHANGE requests for an increase in funding of \$4,165,000. The department is requesting increased funding of \$2,157,000 in F.Y. 1990 and \$2,008,000 in F.Y. 1991. The increases are contained in 24 separate CHANGE level requests for funding from 3 sources. One item requests a decrease in funding of \$1,296,000. The requests can be broken down as follows:

Special Revenue	\$2,177,000
Minnesota Resources	590,000
General Fund	1,398,000
Total	\$4,165,000

Three requests will be paid for totally through increases in dedicated fees. Another request will be paid for partially through a new fee that will be paid directly into the General Fund. The requests will raise \$2,177,000 in dedicated revenue and \$30,000 in non-dedicated revenue during the biennium, representing a significant contribution on the part of the industry.

The requested funds can be categorized as falling into 1 of 3 primary areas:

- * Meeting current severe underfunding in some activities;
- * Providing for administrative needs or investments geared to increasing the efficiency of current resources; and
- * Expanding programs in critical areas of human health and safety and environment protection.

The CHANGE requests represent what is required if the department is to meet the regulatory and service needs of agriculture. The CHANGE requests are needed to help agriculture recover from the financial problems of the mid-eighties as well as the 1988 drought. They will also lay the foundation to help agriculture deal with the realities of 1990's, such as (a) emerging international economic conditions and trade policies; (b) the movement toward a market oriented federal farm policy; and (c) public expectations regarding the need to protect natural resources, assure safe food products and move toward an economically and environmentally sustainable agriculture. The combined requests are necessary to meet the following needs:

1. Immediate threats to human health and safety;
2. Prevent deterioration of natural resources;
3. Help make producers as efficient as possible through lower input costs and enhanced marketing assistance so as to be better able to compete in the marketplace;
4. Meet existing statutory or rule requirements;
5. Make administrative improvements within the department so as to make more effective use of existing resources; and
6. Encourage economic development through the marketing of agricultural products.

The granting of these requests will move agriculture toward a more efficient industry that can compete with its national and international competition; forestall or prevent future expenditures of even greater magnitude; and are critical to meeting the needs of the agriculture that is emerging for the 1990's and beyond.

The department's CHANGE level requests are itemized on the following page.

AGENCY: AGRICULTURE, DEPARTMENT OF
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ 48,051	\$ 48,051	
Agency-wide CHANGE Requests			
Department Network	120	120	7
Subtotal	120	120	
Program/Budget Activity CHANGE Requests			
Protection Service			
Authority in Fertilizer Regulation	397	397	14
Soil Buffering Continuation	140	0	15
Purple Loosestrife Continuation	100	0	16
Agricultural Lime Legislation	80	0	17
Pesticide Survey-LCMR	90	90	18
State Pesticide Plan/User Education/ Enforcement	1,700	1,700	19
Water Quality Monitoring	0	536	20
Apiary Inspection	103	50	24
Fruit and Vegetable Inspection	70	0	25
Development of Bio-Control Agents-LCMR	500	500	26
Oak Wilt Control	100	0	27
Gypsy Moth	138	0	28
Travel/Subsistence	108	80	34
Custom Meat and Poultry Inspection	130	0	35
Food Inspection-Program Specialist	86	0	36
Labels and Standards Examiner	78	78	37
Dairy Equipment Specialist	101	0	40
Subtotal	3,921	3,431	
Promotion and Marketing			
Aquaculture	370	0	45
Subtotal	370	0	
Family Farm Security			
Interest Adjustment Decrease	(1,296)	(1,296)	53
Farm Crisis Assistance	400	200	54
Subtotal	(896)	(1,096)	
Soil and Water Conservation	0	0	
Subtotal	0	0	
Administrative Support and Grants			
RIM Transfer	0	(1,804)	63
Office Management Resources	115	60	66
Safety and Health Officer	80	0	67
Agricultural Information	155	0	72
Low Input/Sustainable Ag	0	173	73
Laboratory Equipment	200	105	76
Inspection Costs for CARE	100	0	80
Subtotal	650	(1,466)	

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
CHANGE Requests Subtotal	\$ 4,165	\$ 989	
AGENCY Total	\$ 52,216	\$ 49,040	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PROTECTION SERVICE	13,458	13,636	13,395	2,031	15,426	15,176	13,395	1,890	15,285	15,045
PROMOTION & MARKETING	762	2,254	708	185	893	708	708	185	893	708
FAMILY FARM SECURITY	2,855	3,105	3,100	<448>	2,652	2,652	2,829	<448>	2,381	2,181
SOIL & WATER CONSERV	2,800	0	0	0	0	0	0	0	0	0
ADMIN-SUPPORT & GRANTS	5,648	6,865	7,083	389	7,472	6,433	6,833	381	7,214	6,137
TOTAL EXPENDITURES	25,523	25,860	24,286	2,157	26,443	24,969	23,765	2,008	25,773	24,071
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	13,229	13,490	12,619	708	13,327	11,893	12,619	690	13,309	11,647
MN RESOURCES	262	218	0	365	365	365	0	225	225	225
SPECIAL REVENUE	74	185	185	0	185	185	185	0	185	185
STATUTORY APPROPRIATIONS:										
GENERAL	274	0	0	0	0	0	0	0	0	0
SPECIAL REVENUE	10,573	10,206	10,845	1,084	11,929	11,889	10,324	1,093	11,417	11,377
FEDERAL	906	754	587	0	587	587	587	0	587	587
GIFTS AND DEPOSITS	205	1,007	50	0	50	50	50	0	50	50
TOTAL FINANCING	25,523	25,860	24,286	2,157	26,443	24,969	23,765	2,008	25,773	24,071
POSITIONS BY FUND:										
GENERAL	190.8	197.8	196.8	16.0	212.8	202.8	196.8	16.0	212.8	202.8
MN RESOURCES	5.0	5.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0
SPECIAL REVENUE	255.7	259.7	259.7	22.0	281.7	277.7	259.7	22.0	281.7	277.7
FEDERAL	18.3	18.3	18.3	0.0	18.3	18.3	18.3	0.0	18.3	18.3
TOTAL POSITIONS	469.8	480.8	474.8	39.0	513.8	499.8	474.8	39.0	513.8	499.8

CHANGE REQUEST _____ 1990-91 Biennial Budget
 Agency _____ Program _____ Activity

ACTIVITY:
 PROGRAM:
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: DEPARTMENT NETWORK DISTRIBUTION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 60	1.0	\$ 60	1.0
Governor's Recommendation				
General Fund	\$ 60	1.0	\$ 60	1.0

Request requires statutory change: _____ Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to provide a position for technical assistance and expansion of local personal computer networks within the agency. The agency objective is to further develop existing networks and to fully utilize these communications links between the divisions to improve productivity and turnaround time for test results and other information.

DESCRIPTION/BACKGROUND:

A local area network was first installed by the Laboratory Services Division in cooperation with the various inspection divisions to better manage the vast amount of samples and inspection information. This is a critical step in enforcing the regulatory activities of the divisions. Submitted samples are tracked using this network system and its database with results immediately forwarded to the appropriate division using this network. The network is extremely valuable in this type of situation and must be expanded and further developed. The agency currently does not have the ability to further develop, manage, or enhance this system which is essential because of increased inspection services with difficult and complex laboratory tests being requested by the divisions to ensure the protection from chemicals and other disease entering the food chain. This affects not only residents of this state, but the many agricultural and foods items exported from Minnesota.

RATIONALE:

It is the desire of our divisions to expand the network system, but the has found maintaining it with proper administration and coordination remely difficult and impossible without a full-time coordinator. In

order to maintain and expand this networking for the agency, it must coordinate the software and hardware for all potential users, perform maintenance and schedule repairs, provide training for the users which is a continual process, and purchase and arrange for necessary upgrades to the system. Proper system documentation is also essential so that the agency has a system adaptable to the changing needs of the department.

A full-time coordinator to administer the system would also provide the full-time attention necessary to the daily operation of the network and allow programmers, systems analysts, secretaries, and other users to perform their jobs and ensure that proper file management and systems are maintained and are expandable for changing agency needs. Special personal computer programs are needed on short notice to react to various situations affecting the food chain and exports of agricultural and processed foods from Minnesota. This position would provide the agency with the ability to accomplish these emergency situations with a well documented, workable, and user friendly system. This request includes some funding to facilitate software upgrades to allow for new network locations for areas not presently on the system.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 60	\$ 60	\$ 120

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM: PROTECTION SERVICE
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

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 into 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.

OPERATION:

The activities in this program deliver services through field staff or field offices, supported by central office personnel that include technical specialists, laboratory services 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 farmers and consumers, and producers, processors, and dealers in regulated products. The regulatory activity involves 10,000 food and dairy manufacturers, distributors and retailers; 1,000 in-state and out-of-state feed manufacturers, processors, and distributors; 7,000 pesticide applicators; 400 structural pest control operators; 700 restricted use pesticide dealers; 1,000 registered beekeepers; 2,100 nurserymen and dealers in nursery stock; 750 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 dealers and others involved in grain transactions; and 50 municipal pest control programs.

BUDGET ISSUE:

The program is facing reductions in federal funds, particularly with regard to gypsy moth, pesticide enforcement and food inspection. USDA funds are obtained through cooperative agreements or contracts, such as the

federal Meat Inspection agreement, are declining. Also, the Environmental Protection Agency continues to reduce federal funds for pesticide enforcement. 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.

EXPLANATION OF BUDGET REQUEST:

Sixteen CHANGE items are being requested. \$70,000 in F.Y. 1990 and \$70,000 in F.Y. 1991 and 1.0 position are requested to ascertain if certain municipal or industrial wastes can be used as soil buffering materials. \$50,000 in F.Y. 1990 and \$50,000 in F.Y. 1991 are requested to continue Purple Loosestrife control. \$65,000 in F.Y. 1990 and \$25,000 in F.Y. 1991 and 1.0 position are requested to conduct a pesticide survey. \$194,000 in F.Y. 1990 and \$203,000 in F.Y. 1991 and 6.0 positions are requested to increase fertilizer control and regulatory activity. \$40,000 in F.Y. 1990 and \$40,000 in F.Y. 1991 and 1.0 position are requested to develop standards for the agricultural lime industry. \$850,000 in F.Y. 1990 and \$850,000 in F.Y. 1991 and 15.0 positions are requested to develop a statewide pesticide management plan, to conduct user education and to enhance enforcement efforts. \$59,000 in F.Y. 1990 and \$44,000 in F.Y. 1991 and 1.0 position are requested for apiary inspection and bee disease eradication. \$35,000 in F.Y. 1990 and \$35,000 in F.Y. 1991 and 1.0 position are requested to meet service demands in fruit and vegetable inspection. \$50,000 in F.Y. 1990 and \$50,000 in F.Y. 1991 are requested for shade tree-oak wilt control. \$69,000 in F.Y. 1990 and \$69,000 in F.Y. 1991 and 2.0 positions are requested for gypsy moth control. \$300,000 in F.Y. 1990 and \$200,000 in F.Y. 1991 are requested to develop bio-control agents. \$54,000 in F.Y. 1990 and \$54,000 in F.Y. 1991 are requested for food inspection travel and subsistence. \$65,000 in F.Y. 1990 and \$65,000 in F.Y. 1991 and 2.0 positions are requested to increase meat and poultry inspection. \$43,000 in F.Y. 1990 and \$43,000 in F.Y. 1991 and 1.0 position are requested for specialist work in food inspection. \$39,000 in F.Y. 1990 and \$39,000 in F.Y. 1991 and 1.0 position are requested for labels and standards review. \$48,000 in F.Y. 1990 and \$53,000 in F.Y. 1991 and 1.0 position are requested for a dairy equipment specialist to evaluate and certify new pasteurization units.

GOVERNOR'S RECOMMENDATION:

As part of the "Comprehensive Groundwater Protection Act of 1989", the Governor recommends \$1,700,000 from the Special Revenue Fund for a state pesticide management plan and \$536,000 from the General Fund for water quality monitoring. The Governor also recommends: \$397,000 (Special Revenue Fund) for fertilizer regulation; \$50,000 for apiary inspection; \$80,000 for food inspection travel and subsistence; and \$78,000 for a label and standards examiner. The Governor's budget reflects the recommendations of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) for \$90,000 for a pesticide use survey and \$500,000 to develop biocontrol agents.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE

ACTIVITY EXPENDITURES:		F.Y. 1990					F.Y. 1991				
		FY 1988	FY 1989	AGENCY REQUEST		GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
				BASE	CHANGE		TOTAL	BASE	CHANGE		TOTAL
AGRONOMY SERVICES		2,336	2,658	2,670	1,269	3,939	4,047	2,670	1,238	3,908	4,016
B AUTHORITY IN FERTILIZER REGULATION	SREV				194		194		203		203
B SOIL BUFFERING CONTINUATION	GEN				70		0		70		0
B PURPLE LOOSESTRIFE CONTINUATION	GEN				50		0		50		0
B AG LIME LEGISLATION	SREV				40		0		40		0
B PESTICIDE SURVEY	MNRS				65		65		25		25
B STATE PESTICIDE MANAGEMENT PLAN	SREV				850		850		850		850
B WATER QUALITY MONITORING	GEN				0		268		0		268
PLANT INDUSTRY		2,347	2,493	2,311	513	2,824	2,636	2,311	398	2,709	2,536
B APIARY INSPECTION	GEN				59		25		44		25
B ADDITIONAL FRUIT & VEG. INSPECTION	GEN				35		0		35		0
B DEVELOP BIO-CONTROL AGENTS	MNRS				300		300		200		200
B SHADE TREE-OAK WILT CONTROL	GEN				50		0		50		0
B GYPSY MOTH FUNDING	GEN				69		0		69		0
GRAIN INSPECTION		5,100	5,058	5,060	0	5,060	5,060	5,060	0	5,060	5,060
FOOD INSPECTION		1,464	1,549	1,527	201	1,728	1,606	1,527	201	1,728	1,606
B TRAVEL AND SUBSISTANCE	GEN				54		40		54		40
B CUSTOM MEAT & POULTRY INSPECTION	GEN				65		0		65		0
B FOOD INSPECTION-PROGRAM SPECIALIST	GEN				43		0		43		0
B LABEL & STANDARDS EXAMINER	GEN				39		39		39		39
DAIRY & LIVESTOCK		2,211	1,878	1,827	48	1,875	1,827	1,827	53	1,880	1,827
B DAIRY EQUIPMENT SPECIALIST	GEN				48		0		53		0
TOTAL EXPENDITURES		13,458	13,636	13,395	2,031	15,426	15,176	13,395	1,890	15,285	15,045

SOURCES OF FINANCING:

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DIRECT APPROPRIATIONS:										
GENERAL	3,667	4,208	4,185	582	4,767	4,557	4,185	572	4,757	4,557
MN RESOURCES	262	218	0	365	365	365	0	225	225	225
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	8,924	8,661	8,756	1,084	9,840	9,800	8,756	1,093	9,849	9,809
FEDERAL	605	519	454	0	454	454	454	0	454	454
GIFTS AND DEPOSITS	0	30	0	0	0	0	0	0	0	0
TOTAL FINANCING	13,458	13,636	13,395	2,031	15,426	15,176	13,395	1,890	15,285	15,045
POSITIONS BY FUND:										
GENERAL	95.9	102.9	101.9	10.0	111.9	107.9	101.9	10.0	111.9	107.9
MN RESOURCES	5.0	5.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0
SPECIAL REVENUE	247.7	250.7	250.7	22.0	272.7	268.7	250.7	22.0	272.7	268.7
FEDERAL	17.3	17.3	17.3	0.0	17.3	17.3	17.3	0.0	17.3	17.3
TOTAL POSITIONS	365.9	375.9	369.9	33.0	402.9	394.9	369.9	33.0	402.9	394.9

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : FOOD INSPECTION

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	44.0	44.0	44.0	4.0	48.0	45.0	44.0	4.0	48.0	45.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : FOOD INSPECTION

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,226	1,310	1,335	116	1,451	1,368	1,335	116	1,451	1,368
EXPENSES/CONTRACTUAL SRVCS	60	66	64	3	67	65	64	3	67	65
MISC OPERATING EXPENSES	157	159	115	77	192	159	115	77	192	159
SUPPLIES/MATERIALS/PARTS	15	11	10	5	15	11	10	5	15	11
CAPITAL EQUIPMENT	2	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	4	3	3	0	3	3	3	0	3	3
TOTAL EXPENDITURES	1,464	1,549	1,527	201	1,728	1,606	1,527	201	1,728	1,606
CHANGE REQUESTS: FUND										
B TRAVEL AND SUBSISTANCE				54		40		54		40
B CUSTOM MEAT & POULTRY INSPECTION				65		0		65		0
B FOOD INSPECTION-PROGRAM SPECIALIST				43		0		43		0
B LABEL & STANDARDS EXAMINER				39		39		39		39
TOTAL CHANGE REQUESTS				201		79		201		79
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,122	1,263	1,306	201	1,507	1,385	1,306	201	1,507	1,385
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	89	79	79	0	79	79	79	0	79	79
FEDERAL	253	207	142	0	142	142	142	0	142	142
TOTAL FINANCING	1,464	1,549	1,527	201	1,728	1,606	1,527	201	1,728	1,606
POSITIONS BY FUND:										
GENERAL	36.2	36.2	36.2	4.0	40.2	37.2	36.2	4.0	40.2	37.2
SPECIAL REVENUE	2.5	2.5	2.5	0.0	2.5	2.5	2.5	0.0	2.5	2.5
FEDERAL	5.3	5.3	5.3	0.0	5.3	5.3	5.3	0.0	5.3	5.3

ACTIVITY: FOOD INSPECTION
Program: PROTECTION SERVICE
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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/BACKGROUND:

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 10,000 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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Inspections/Investigations of Food Establishments	20,281	20,250	20,500	20,750
Samples Collected for Analysis	6,608	6,750	7,000	7,250
Number of Unsatisfactory Sanitation Conditions Corrected	7,841	8,000	8,125	8,250
Number of Times Substandard or Mis-labeled Product Removed From Sale	1,448	1,600	1,650	1,675
Number of Times Improper Facilities and Equipment Corrected	3,875	4,500	4,500	4,500
Pounds of Products Removed From Sale	498,293	500,000	500,000	500,000
Improper Storage Temperatures Corrected	1,046	1,100	1,100	1,100
Citizen Complaints Investigated	639	700	725	750
International Health Certificates Issued				125

BUDGET ISSUES:

This activity is experiencing a serious problem in maintaining even present levels of inspection and regulatory work because of the increasing number of new licensed food establishments, the increased workload under the federal fish contracts, training commitments through contract and cooperative agreements with federal, state and local agencies, the increased inspection responsibilities brought on by the new organic food rules and the all inclusive new retail food store rules, and the expected reduction of federal funds for custom exempt inspections. This activity needs increased resources due to additional workload demands. Without such resources, routine inspections and regulatory work will suffer.

REVENUE:

This activity generates dedicated and non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 955	\$ 1,023	\$ 1,023	\$ 1,023
Dedicated - Special	97	86	86	86
Dedicated - Federal	247	195	195	130
Total Revenue	\$ 1,339	\$ 1,304	\$ 1,304	\$ 1,239

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : GRAIN INSPECTION

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	4,163	4,006	4,062	0	4,062	4,062	4,062	0	4,062	4,062
EXPENSES/CONTRACTUAL SRVCS	402	513	508	0	508	508	508	0	508	508
MISC OPERATING EXPENSES	320	257	245	0	245	245	245	0	245	245
SUPPLIES/MATERIALS/PARTS	40	53	50	0	50	50	50	0	50	50
CAPITAL EQUIPMENT	115	163	129	0	129	129	129	0	129	129
REAL PROPERTY	2	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	58	66	66	0	66	66	66	0	66	66
TOTAL EXPENDITURES	5,100	5,058	5,060	0	5,060	5,060	5,060	0	5,060	5,060
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	100	102	0	102	102	102	0	102	102
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	4,964	4,828	4,828	0	4,828	4,828	4,828	0	4,828	4,828
FEDERAL	136	130	130	0	130	130	130	0	130	130
TOTAL FINANCING	5,100	5,058	5,060	0	5,060	5,060	5,060	0	5,060	5,060
POSITIONS BY FUND:										
GENERAL	0.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
SPECIAL REVENUE	136.0	141.0	141.0	0.0	141.0	141.0	141.0	0.0	141.0	141.0
FEDERAL	7.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0
TOTAL POSITIONS	143.0	151.0	151.0	0.0	151.0	151.0	151.0	0.0	151.0	151.0

ACTIVITY: GRAIN INSPECTION
 Program: PROTECTION SERVICE
 Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To assure fairness and facilitate marketing and storage of grain and to develop and maintain a program that will assure the accuracy of grain testing equipment and equipment operators.

DESCRIPTION/BACKGROUND:

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, and conducts periodic reviews to determine the accuracy of grain testing equipment and test equipment operators that determine grain quality for grain that is received for purchase or for storage.

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. On-site reviews are performed when grain testing equipment fails to meet the established tolerances or upon requests made by the receiver or deliverer of grain.

Statutory authority for this activity is found in M.S. 17B.03, 223, and 231-236.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Volume or Units Inspected				
Vessels/Barges (In Thousands) of Bushels	335,889	335,900	335,900	335,900
Number of Trucks	6,868	6,900	6,900	6,900
Number of Cars	92,400	92,500	92,500	92,500
Samples Submitted	39,777	40,000	40,000	40,000
Volume or Units Weighed				
Vessels/Barges (In Thousands) of Bushels	41,425	41,500	41,500	41,500
Number of Trucks	5,880	5,900	5,900	5,900
Number of Cars	11,057	11,100	11,100	11,100
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)	295,135	295,200	295,200	295,200

STATISTICS:
(Contd.)

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Vessels (Thousands)	40,754	40,800	40,800	40,800
Rail Route Samples (Thousands)	216,062	216,100	216,100	216,100
Protein Analysis Tests	95,009	95,000	95,000	95,000
Public Grain Warehouses and Grain Banks Licensed	526	526	526	526
Grain Buyers Licensed	538	538	538	538
General Storage Warehouses Licensed	222	222	222	222
Equipment Testing				
Moisture Meters	0	800	1,600	1,600
Test Weight Scales	0	600	1,200	1,200
Dockage Devices	0	600	1,200	1,200
Protein Analyzers	0	300	600	600

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 0	\$ 0	\$ 0	\$ 0
Dedicated - Special	5,570	5,568	5,568	5,568
Dedicated - Federal	157	125	125	125
Total Revenue	\$ 5,727	\$ 5,693	\$ 5,693	\$ 5,693

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PLANT INDUSTRY
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: ADDITIONAL GYPSY MOTH FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 69	2.0	\$ 69	2.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to establish permanent funding for eradication as needed, inquiry and cooperater programs, and a field complement of 10 seasonal MDA trappers. The objective is to prevent the establishment of gypsy moth in Minnesota.

DESCRIPTION/BACKGROUND:

Gypsy moth is unquestionably the most serious defoliator of trees in the United States. With few natural enemies to control populations, it continues to expand its range westward by hitching rides with highly mobile human populations. Once established, it destroys trees and forests through repeated, heavy defoliations. Tourists seek other areas and local residents are besieged by caterpillars. Control costs soar as citizens demand action. It is known that this pest can survive the Minnesota winter. The only defense is prevention.

Minnesota has developed an effective detection and eradication program with USDA. Some costs have been shared by MDA/USDA. This funding is on a year by year, pro rata basis and is not reliable. Moreover, the state share for gypsy moth detection, quarantine, eradication and public information costs have been covered by available general funds at the expense of other programs and needs. To fully meet its obligations under Chapter 18, the agency will need more funds.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number Traps/Year	3,500	3,500	8,000	8,000
Average Treatments/Year	2	2	3-4	4
Average Cost/Treatment (000's)	8-10	8-10	20-40	20-40
Mail Inquiries/Year (000's)	12	13	13.5	14

RATIONALE:

Pressure from this pest increases each year. Funds spent on survey and eradication will forestall or prevent the eventual need to spend hundreds of thousands of dollars annually for suppression of this noxious pest.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 33	\$ 33	\$ 33	\$ 33
Federal Fund Expenditures	1	2	2	2

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 69	\$ 69	\$ 138

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PLANT INDUSTRY
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: ADDITIONAL OAK WILT FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	-0-	\$ 50	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to expand current efforts in controlling the spread of oak wilt. This request would provide funding for community assistance in the form of on-site technical support/education, control demonstrations, and expanded public information throughout the state.

The objective is to prevent the future spread of this disease out of its current range, and to control and begin to eliminate oak wilt in areas where it currently exists.

DESCRIPTION/BACKGROUND:

With monies appropriated during the 1988-89 biennium, an oak wilt control program was initiated consisting of technical assistance to communities and counties, and public information. The need for assistance is greater than what can be provided with current resources. More technical assistance is needed to effectively control the spread of oak wilt in Minnesota.

Oaks are the most valuable and plentiful of Minnesota's shade trees and the major tree species in the rapidly expanding areas outside large urban areas. People are paying 20 to 30% more for lots in these woods. Additionally, oaks are a valuable wood resource supplying 45,000,000 board feet annually to Minnesota's secondary wood industries. Red oak accounts for 90% of the wood used in the \$160,000,000 per year cabinet making industry in Minnesota. These industries employ 16,000 Minnesotans. There are 234 million oak trees in the state and they are rapidly dying from oak wilt, the most serious shade tree disease in Minnesota.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Municipalities with Oak Wilt	300	300	250	150
Percent with Control Program	20	35	50	75

RATIONALE:

Rapid new construction in native oak woods surrounding Minnesota's large urban areas has artificially accelerated the spread of oak wilt. The loss of these trees devalue new properties by thousands of dollars and add more costs for removal. Funds spent on preventative oak wilt management and control procedures are vital to effectively stopping oak wilt in Minnesota. A small investment of state funded services will provide major paybacks. Assisting communities in developing control programs, and providing educational demonstrations has established a successful, efficient, and cost-effective framework for oak wilt control. The result will be significant reductions in losses of property value avoiding local property taxes increases to pay for removal, and the saving of thousands of Minnesota's most valuable tree species.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 50	\$ 90	\$ 80	\$ 80

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 50	\$ 50	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PLANT INDUSTRY
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: DEVELOPMENT OF BIOCONTROL AGENTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Minnesota Resources Fund	\$ 300	-0-	\$ 200	-0-
Governor's Recommendation				
Minnesota Resources Fund	\$ 300	-0-	\$ 200	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to establish biological control agents for Canada thistle, leafy spurge, alfalfa pests, gypsy moth, and to develop monitoring tools for the biological agents that will successfully control certain plant pests while offering an alternative to pesticide controls.

DESCRIPTION/BACKGROUND:

One of the major threats to the quality of the ground and surface waters of Minnesota is contamination by pesticides used for control of agricultural and urban pests. The use of living organisms such as insects and diseases for pest control is a timely alternative to pesticides. This tactic, called biological control, has been used successfully to control a large number of insects and weeds. Success often depends upon the establishment of several control agents for each pest so that a "balance" is achieved.

The United States Department of Agriculture (USDA) has cooperated in the release of biocontrol agents but the level of future cooperation is uncertain. MDA needs to develop the biocontrol program in Minnesota for the benefit of Minnesota. Two scientists from the University of Minnesota will cooperate on the project.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Biocontrol Agents Developed/ Released:				
Predator Species	2	4	6	8
Parasite Species	5	10	12	15
Pathogens	0	2	4	6

RATIONALE:

Biological pest control will:

1. Reduce chemical pesticide use and the resultant contamination of water resources;
2. Reduce production costs for farmers; and
3. Create a market for production of biocontrol agents by the private sector.

The process for establishing a successful biological control program includes

1. Collecting and identifying potential control agents;
2. Developing, testing and adapting the agents;
3. Developing mass rearing techniques for the agents;
4. Releasing the agents into the environment; and
5. Evaluating the impact of the releases.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: PLANT INDUSTRY
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: ADDITIONAL FRUIT AND VEGETABLE INSPECTION STAFFING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 35	1.0	\$ 35	1.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to meet expected new service requests occurring because of the Minnesota Grown promotional campaign. The objective is to meet inspection requests from growers wanting to use the Minnesota Grown-Quality Standard label to promote their produce in regional or national markets.

DESCRIPTION/BACKGROUND:

Requests for inspections of fresh fruits and vegetables in Minnesota remains at a high level, while it is mandated that our fees cannot be higher than our neighboring states. Since the state has embarked upon an ambitious "Minnesota Grown" campaign to expand the produce sector of Minnesota Agriculture, we will have increased demands upon our inspection staff during peak inspection periods.

Current General Fund appropriations are used to meet expenses for service demands. Fees for services are deposited in the General Fund. Minnesota law sets the fees for services, and stipulates such fees cannot be higher than those in neighboring states.

This request would provide funds for 1.0 full-time equivalent of seasonal or part-time position to address staffing needs created by the Minnesota Grown promotional program. This will provide staffing to meet the inspection requests of from 4 to 10 growers of each of the following commodities: apples, sweet corn, carrots and raspberries.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
"Minnesota Grown" Number of Inspections				
Apples	0	0	50	100
Sweet Corn	0	0	50	100
Carrots	0	0	50	100
Raspberries	0	10	20	40

RATIONALE:

The new "Minnesota Grown" quality produce program will require grading inspections as a key feature in increasing the marketability of Minnesota's fresh produce. The addition of 1.0 full-time equivalent position will enable the state to meet the anticipated grower support of this program which coincides with the peak levels of other produce inspection activities.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 297	\$ 310	\$ 310	\$ 310
Special Fund Expenditures	209	231	231	231
Federal Funds	10	0	0	0

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 35	\$ 35	\$ 70

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PLANT INDUSTRY
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: ADDITIONAL APIARY INSPECTION FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 59	1.0	\$ 44	1.0

Governor's Recommendation

General Fund	\$ 25	1.0	\$ 25	1.0
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to provide adequate staffing to meet new, serious threats to Minnesota's apiary industry. The objective is to meet current and future threats to the apiary industry, thereby preserving the economic value of the industry for the state. Additional staff and seasonal inspections will help meet the challenge of new pests.

DESCRIPTION/BACKGROUND:

Minnesota's beekeepers face no less than 2 new honey bee diseases, the Tracheal mite and the Varroa mite. Both diseases can prohibit the successful overwintering of honey bees in Minnesota. At the same time, the Africanized honey bee or "killer bee" is moving northward through Mexico toward the United States. The discovery of Varroa mite during August 1988 forced the department to initiate a statewide survey with additional inspectors.

The apiary industry is too small to support the regulatory program necessary to protect agricultural pollination resources from new diseases. The program has operated for many years to deal with the American foulbrood of honey bees. Budget cuts in the past have weakened the inspection services below minimal levels to even deal with this 1 disease. Currently, the department has 1 full-time inspector and 3 seasonal inspectors. Fees have been increased to the point where objection and resistance has and is being voiced by the industry. General Fund support will be necessary to continue and expand the inspection program to meet the needs of agriculture, the industry and public health when the Africanized honey bee reaches our borders.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Honey Bee Colonies Registered	131,321	145,000	180,000	190,000
Honey Bee Colonies Inspected	23,000	23,000	40,000	60,000
Apiaries Found With:				
Trachael Mite	30	40	50	60
Varroa Mite	0	3	6	6

RATIONALE:

The department estimates there are over 200,000 colonies of bees in Minnesota. Of the 200,000 colonies, only about 131,000 are currently registered. Additional inspection activity will lead to higher rates of registration of colonies. In order to protect our resident beekeepers, provide for interstate movement of honey bees and to protect the industry, this program must be maintained and expanded. Additional inspections and enforcement will generate additional revenue.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 63	\$ 63	\$ 63	\$ 63

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 44	\$ 44	\$ 88

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding, as modified, for this request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : PLANT INDUSTRY

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SPECIAL REVENUE	11.3	10.3	10.3	0.0	10.3	10.3	10.3	0.0	10.3	10.3
TOTAL POSITIONS	51.6	53.6	48.6	4.0	52.6	49.6	48.6	4.0	52.6	49.6

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : PLANT INDUSTRY

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,584	1,694	1,711	112	1,823	1,726	1,711	112	1,823	1,726
EXPENSES/CONTRACTUAL SRVCS	427	421	296	309	605	569	296	217	513	477
MISC OPERATING EXPENSES	199	248	234	46	280	251	234	45	279	250
SUPPLIES/MATERIALS/PARTS	34	47	42	9	51	47	42	9	51	47
CAPITAL EQUIPMENT	91	72	17	37	54	32	17	15	32	25
REDISTRIBUTIONS	12	11	11	0	11	11	11	0	11	11
TOTAL EXPENDITURES	2,347	2,493	2,311	513	2,824	2,636	2,311	398	2,709	2,536
CHANGE REQUESTS: FUND										
B APIARY INSPECTION				59		25		44		25
B ADDITIONAL FRUIT & VEG. INSPECTION				35		0		35		0
B DEVELOP BIO-CONTROL AGENTS				300		300		200		200
B SHADE TREE-OAK WILT CONTROL				50		0		50		0
B GYPSY MOTH FUNDING				69		0		69		0
TOTAL CHANGE REQUESTS				513		325		398		225
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,496	1,667	1,703	213	1,916	1,728	1,703	198	1,901	1,728
MN RESOURCES	262	218	0	300	300	300	0	200	200	200
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	578	602	602	0	602	602	602	0	602	602
FEDERAL	11	6	6	0	6	6	6	0	6	6
TOTAL FINANCING	2,347	2,493	2,311	513	2,824	2,636	2,311	398	2,709	2,536
POSITIONS BY FUND:										
GENERAL	35.3	38.3	38.3	4.0	42.3	39.3	38.3	4.0	42.3	39.3
MN RESOURCES	5.0	5.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

ACTIVITY: PLANT INDUSTRY
 Program: PROTECTION SERVICE
 Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

STATISTICS:
 (Contd.)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Seed Potato Acres Certified	23,130	23,200	23,500	24,000
Tree Inspectors Certified	450	500	500	550
Shade Tree Disease Information Requests	600	600	650	650

PURPOSE:

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 and establishment of foreign plant pests.

¹ Loss of Federal funds will increase the number of traps the state operates.

DESCRIPTION/BACKGROUND:

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.

REVENUE:

This activity generates dedicated and non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 508	\$ 521	\$ 521	\$ 521
Dedicated - Special	716	653	653	653
Dedicated - Federal	0	6	6	6
Total Revenue	\$ 1,224	\$ 1,180	\$ 1,180	\$ 1,180

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.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Clientele Served	6,000	6,000	6,000	6,000
Value of Product Certified (In Millions)	\$ 240.0	\$ 250.0	\$ 250.0	\$ 260.0
Shipping Point Inspections	5,000	6,500	6,800	7,000
Incoming Produce Inspections	4,500	3,300	3,400	3,500
Export Countries	62	60	60	62
Acres Surveyed for Export	2,200	4,800	5,500	5,500
Phytosanitary Certificates Issued	2,000	2,100	2,150	2,200
Municipal Pest Programs Approved	43	60	65	70
New Pests Intercepted Upon Entry	11	10	10	10
Counties Surveyed for Pests	70	70	72	72
Percent Cropland Surveyed	1.0	1.5	2.0	2.0
Foreign Ship Inspections	144	130	140	150
New Plant Pests Found	2	2	2	2
Technical Tests	1,500	1,500	1,600	1,700
Gypsy Moth Traps Operated ¹	4,000	8,000	9,000	10,000
Bee Colonies Inspected/Interstate Shipments	23,000	23,000	23,000	24,000
Nurseries Inspected				950
Percent Nurseries Inspected				50

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGRONOMY SERVICES
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: MONITORING PESTICIDE AND FERTILIZER IMPACTS ON WATER QUALITY

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 268	4.0	\$ 268	4.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 188.04 and 17.711-17.729

GOVERNOR'S RECOMMENDATION:

The Governor recommends these funds and positions to conduct analysis, monitoring and information gathering activities related to pesticide and fertilizer environmental concerns. This is a component of the "Comprehensive Water Resources Protection Act of 1989." The objective is to assess the impacts of pesticides and fertilizers on soil, ground and surface waters in order to protect public health and the environment from harmful exposure.

DESCRIPTION/BACKGROUND:

The purpose of this request is to review information, obtain new data, develop urban and specialty crop pesticide use information, and monitor pesticide and fertilizer movement to surface and ground water. Effective management practices and regulations necessary to prevent deterioration of water quality depend upon such information. The evaluation of information regarding pesticide and fertilizer impacts on ground and surface water is necessary to prevent or minimize irreversible contamination of ground and surface water.

This request addresses the increased responsibilities of the Minnesota Pesticide Control Law Amendments of 1987 as well as the recommendations of the Minnesota Ground Water Protection Strategy and the Water Resources Strategy for the Control of Pests and Management of Nutrients prepared by the Environmental Quality Board (EQB) Water Resources Committee. M.S. 188.04, 188.10 and 17.771-17.729 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) indicated that 1 or more pesticides were detected in 33% of the 500 wells sampled in primarily hydrogeologically sensitive areas. Currently, there is limited information available on urban and specialty crop pesticide use. Procedures necessary to obtain accurate information on urban pesticide use need to be developed. This activity would compliment a tentatively approved LCMR project to determine pesticide use on major agricultural crops.

Continued monitoring will provide a basis for evaluation of management and regulatory efforts to protect ground water and drinking water supplies. Requested funding will provide:

1. Monitoring and evaluation of pesticide and fertilizer contamination of ground and surface water.
2. Evaluation of management practices at pesticide and fertilizer facilities.
3. Review and dissemination of pesticide and fertilizer information relating to environmental contamination and regulatory issues.
4. Increased laboratory capability to analyze for pesticides.
5. Develop procedures to determine urban and specialty crop pesticide use.

Performance will be measured by information reports, management and regulatory recommendations and by the number of samples analyzed.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Sites Sampled	200	285	505	655
Water Samples Analyzed	600	625	1,200	1,600
Soil Samples Analyzed	50	75	125	200

RATIONALE:

Pesticide and fertilizer impacts on ground and surface water are a major concern for the agricultural community and the state. There is a critical need for development of a sound database. This request will establish the means to provide an essential function that will benefit pesticide and fertilizer users, agricultural communities as well as the citizens of Minnesota by protecting the quality of water resources.

BASE: None

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 268	\$ 268	\$ 536

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGRONOMY SERVICES
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: STATE PESTICIDE MANAGEMENT PLAN, USER EDUCATION, CERTIFICATION, ENFORCEMENT AND PESTICIDE CONTAINER PROJECT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund	\$ 850	15.0	\$ 850	15.0

Governor's Recommendation

Special Revenue Fund	\$ 850	12.0	\$ 850	12.0
----------------------	--------	------	--------	------

Request requires statutory change: X Yes _____ No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to develop a state Pesticide Management Plan for pesticides that impact ground water; to increase the level of education activities, environmental safety training and user certification and licensing; and to conduct a pesticide container disposal project in cooperation with the agri-chemical industry and the Minnesota Pollution Control Agency. The specific objective is to protect Minnesota's drinking water from pesticide contamination, while generally increasing safety and health levels through proper use and disposal of pesticides and pesticide containers.

DESCRIPTION/BACKGROUND:

The purpose of the Pesticide Management Plan request is to develop a comprehensive set of options and responses to contamination of ground water by pesticides. Ground water contamination is complex and situation-specific and will require effective, scientific measures to minimize adverse impacts while allowing Minnesota farmers to compete economically. A Pesticide Management Plan is advocated by the Minnesota Ground Water Strategy and by the federal Environmental Protection Agency as a means of mitigating impacts of pesticides on water quality.

The department requests approval for an acceleration of educational activities targeted at farmers, pesticide users and regulated clientele. These educational activities will focus on environmental concerns, health and the protection of water quality. Expanded licensing and certification programs will be conducted including new groups of pesticides users, as well as providing increased technical assistance, and information for local units of government. Enforcement and inspection activities need to be increased especially with respect to storage of pesticides and chemigation to protect environmental hazards from developing.

A new and innovative program to prevent the improper disposal of pesticide containers needs to be developed. This program will cooperate with users, industry and other local and state agencies to develop a pesticide container recycling system to reduce this contamination source.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Pesticide Facility Inspections	1,180	1,180	1,250	1,350
Chemigation Inspections	0	50	100	150
Licensed Applicators	42,500	43,500	50,000	50,000
Pesticide Management Plan	0	0	0	1

RATIONALE:

Long term prospects of contamination of ground and drinking water is costly to Minnesota's agriculture and economy. Preservation of water quality must be a priority. A sound, balanced approach of regulation and education is supported by all federal, state and local strategies that have addressed the agricultural water quality issue. The Minnesota Department of Agriculture (MDA) has responsibilities for both areas. If MDA is unable to provide strong regulatory leadership coupled with an increased educational, licensing and certification program, environmental protection and water quality will decline. This request directly addresses the major means of solving ground water contamination from pesticides and fertilizers.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Fund Expenditures	\$ 742	\$ 908	\$ 1,033	\$ 1,033
Federal Fund Expenditures	\$ 203	\$ 165	\$ 165	\$ 165

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Fund Expenditures	\$ 850	\$ 850	\$1,700

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request, as modified, be approved as a component of the "Comprehensive Water Resources Protection Act of 1989."

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGRONOMY SERVICES
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: MINNESOTA PESTICIDE USE SURVEY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Minnesota Resources Fund	\$ 65	1.0	\$ 25	1.0
Governor's Recommendation				
Minnesota Resources Fund	\$ 65	1.0	\$ 25	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests funds to conduct a statewide survey of agricultural pesticide use. The objective is to generate information on a statewide and regional level regarding pesticide use so as to better describe and understand the potential impacts of pesticides on ground and surface water of the state.

DESCRIPTION/BACKGROUND:

Pesticide use information for major agricultural crops is necessary for current and future ground and surface water protection programs. Pesticide use needs to be accurately determined through a statistically designed survey which will group counties into clusters with similar soil and hydrogeological characteristics. This approach will provide sound pesticide use information at a local level for major agricultural crops in Minnesota.

A statistically designed pesticide use survey for major crops based upon soil and hydrogeologic characteristics would accomplish both goals.

Specifically, the objectives of a pesticide use survey are to:

1. Provide accurate, detailed pesticide use information in 25 cluster areas;
2. Determine statewide pesticide use information for trend analysis;
3. Compare survey results with past and current ground and surface water monitoring results; and
4. Enhance development of local water plans, state pest and plant nutrient strategies and departmental regulatory programs.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Surveys Mailed	0	0	15,000	0
County Clusters Surveyed	0	0	25	25
Reports Written	0	0	0	1

RATIONALE:

Future pesticide use in rural and urban areas will be guided, in part, by impacts on water resources. Complete and accurate pesticide use information is needed to evaluate the results of pesticide monitoring studies. Understanding of ground and surface water contamination problems will be improved by determining pesticide use information.

Minnesota needs accurate and current pesticide use information at a regional level since soil, hydrogeologic and cropping patterns vary throughout the state. Regional use patterns need to be determined to guide ground water and surface water protection programs based on local characteristics. Such information is also needed at the statewide level to determine changes in pesticide use over time.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGRONOMY SERVICES
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: AGRICULTURAL LIME LEGISLATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund	\$ 40	1.0	\$ 40	1.0
Governor's Recommendation				
Special Revenue Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: New law.

STATEMENT OF REQUEST/OBJECTIVE:

The agency is recommending new legislation to develop standards for the agricultural limestone industry. The objective is to develop a regulatory program that will be 100% fee supported.

DESCRIPTION/BACKGROUND:

Materials used for neutralizing acid soils have been unregulated in Minnesota. The limestone industry has requested legislation to develop standards and methods of verifying claims. Landowners and local units of government have requested some regulation and assurance that municipal and industrial waste or by-products are appropriately used. A 3 year demonstration project to study these latter materials was initiated by the 1988 legislature. The results of that project may eventually result in regulations specific to those by-products. The model state agricultural lime bill is the basis for this legislation. It does address and would regulate both the limestone and waste by-product sectors of industry. Information developed in the soil buffering materials demonstration project will be used to determine standards necessary for the appropriate agricultural use of these products.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Tons Agricultural Lime Sold	0	0	450,000	450,000
Regulatory Samples	0	0	200	200

RATIONALE:

Physical product standards, labeling requirements, and sampling methods and schedules are to be developed. Agreement on analytical methods to be used will be made. Industry fees fully supporting the program will be part of the legislation; no funds are requested as start-up money. There is some consumer (landowner) protection in this measure in that the utility of the limestone product depends a great deal on fineness of grind. The legislation is also a fair trade practices act.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Fund Expenditures	\$ 40	\$ 40	\$ 80

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

CHANGE REQUEST _____ 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: AGRONOMY SERVICES
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: CONTINUATION OF PURPLE LOOSESTRIFE CONTROL FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	-0-	\$ 50	-0-

Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected: M.S. 18.171-18.323

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to support the control/eradication program begun in F.Y. 1989. Considerable environmental damage is caused by this invading exotic species. The objective is to use these funds to halt the advance and to eliminate local infestations.

DESCRIPTION/BACKGROUND:

Purple loosestrife (lithrum salicaria) is prevalent in the eastern part of the nation. The advance of this noxious weed to the prairie states is of considerable concern to environmentalists, naturalists and sportsmen because it aggressively crowds out native plant species on which wildlife depend. The plant was introduced from Europe, sharing an exotic origin with almost all of Minnesota's designated noxious weeds. It displaces valuable wetland plants, eliminating food and shelter for wildlife because it has no value for wildlife itself. There is considerable public support for the use of public funds for control purposes. Funds were appropriated for F.Y. 1989.

<u>STATISTICS:</u>	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total Acres Infested	30,000	30,000	30,000	25,000
Private Acres Infested	5,000	5,000	5,000	4,000
Acres Private Land Treated	0	800	1,000	1,000

RATIONALE:

Statistics on this program are rudimentary. A survey was accomplished by County Agricultural Inspectors in 1987. From that and observations by the public, it is estimated that 20,000 to 40,000 acres in the state are infested. Much of this is public waters and is the responsibility of Department of Natural Resources. That agency and the department are cooperating in developing a state strategy for containment of the problem. The U.S. Fish and Wildlife Service is also closely involved. Control is vital for Minnesota waterfowl, furbearers, songbirds, wetlands vegetation and other wildlife. Results of control measures may not be evident for 2 years.

Matching (40%) monies are available from local government and individuals when the noxious weed quarantine system can be used.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 0	\$ 50	\$ 0	\$ 0

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 50	\$ 50	\$ 100

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGRONOMY SERVICES
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: SOIL BUFFERING MATERIALS PROJECT CONTINUATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 70	1.0	\$ 70	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected: M.S. 17.7241

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and position to complete the soil buffering project initiated in F.Y. 1989. The objective is to examine certain industrial and municipal wastes and by-products that might be useful agricultural inputs as a soil buffering agent. The completion of this University of Minnesota and Department of Agriculture cooperative study is needed for development of necessary information and appropriate controls. This study will determine the safety and feasibility of use of these materials on agricultural lands.

DESCRIPTION/BACKGROUND:

This 3 year study was authorized by the 1988 legislature with funding only for F.Y. 1989. The department was to continue it through to completion. Materials under study contain magnesium and calcium compounds which are capable of neutralizing soil acidity. Standards, sampling procedures, testing methods, storage and transportation procedures and application rates would be determined through this study. Complaints allege that waste materials are causing problems when dumped as stockpiles on agricultural land rather than being spread at appropriate rates which have yet to be determined. Economic benefits may result from appropriate use of a waste by-product.

Of the \$70,000 appropriated for F.Y. 1989, the University of Minnesota is to

be provided funds for project design, research in materials sampling and analysis methodology, and for costs of testing.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Samples	0	72	150	150

RATIONALE:

The cooperative project will examine the technical feasibility, economic benefits and possible environmental impacts of using these by-products and wastes to increase agricultural production on acidic soils. A dual benefit can result; that of safe, useful disposal of waste products and of increasing agricultural production.

A full-time position is needed, and was provided by the LAC but for only F.Y. 1989. The project may result in information and new agency rules addressing use, storage, labeling requirements, sampling methods, product standards and methods of verifying label claims and product quality. Continued funding is needed through F.Y. 1991 to provide information for possible federal regulatory needs.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 0	\$ 70	\$ 0	\$ 0

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: AGRONOMY SERVICES
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: INCREASED AUTHORITY IN FERTILIZER REGULATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Special Revenue Fund	\$ 194	6.0	\$ 203	6.0
Governor's Recommendation				
Special Revenue Fund	\$ 194	6.0	\$ 203	6.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 17.711-17.728

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to expand fertilizer regulatory work to meet service demands. The objective is to increase staff levels so as to avoid delays in reviewing and permitting storage safeguard applications, label review and registration, follow up on incidents, development of rules, judgment on facility inspection reports and analytical results, and in responding to requests for information from clientele and the public. The objective is to enhance the ability of the department to meet the statutory obligations.

DESCRIPTION/BACKGROUND:

Increasing scientific evidence show greater potential for environmental damage by fertilizer. Public concern has also increased because of this protection at facilities storing product, at irrigation sites using fertilizer, and best management practices for users of fertilizer are all concepts that require investigation or implementation.

Especially important is the department's ability to competently investigate and control incidents of low level, but long-term spills and of accidents such as a single, large volume spill. Human safety around anhydrous ammonia plants can be improved by increasing surveillance of these sites.

The department needs additional staff to take administrative or other lesser actions in lieu of prosecutions to resolve actual and potential hazards.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Regulatory Samples	723	850	900	1,000
Facility Inspections	1,292	1,500	2,000	2,500
Facilities Licensed	835	825	810	800
Products Registered	1,323	1,400	1,450	1,500
Stop Sales Issued	25	30	50	50

RATIONALE:

Amendments recommended for the fertilizer law provide more specific authority to inspect facilities and investigate, especially in emergencies and incidents, and more responsibility to protect the environment.

Storage safeguards are required. Safety mechanisms and permits would be required of chemigation facilities. Fees would be increased to pay for the additional work. Administrative remedies are provided in addition to criminal and civil penalties for violations.

A notice of inspection, receipt for samples and reports of analytical results are required and firms would be allowed to recover damages for administrative actions taken without cause.

Economic protection of purchasers is addressed with increased requirements for scientifically acceptable evidence to be provided to substantiate label claims.

The added staff will allow more appropriate and timely response to incidents and the applications for storage permits, and improved anhydrous ammonia facility inspections.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Special Fund Expenditures	\$ 268	\$ 251	\$ 251	\$ 251

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
Special Fund Expenditures	\$ 203	\$ 203	\$ 406

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request be approved as a component of the "Comprehensive Water Resources Protection Act of 1989."

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : AGRONOMY SERVICES

SOURCES OF FINANCING:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
GENERAL	6.8	7.8	6.8	1.0	7.8	10.8	6.8	1.0	7.8	10.8
MN RESOURCES	0.0	0.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0	1.0
SPECIAL REVENUE	52.0	55.0	55.0	22.0	77.0	73.0	55.0	22.0	77.0	73.0
FEDERAL	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
TOTAL POSITIONS	63.8	67.8	66.8	24.0	90.8	89.8	66.8	24.0	90.8	89.8

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : AGRONOMY SERVICES

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,694	1,806	1,938	690	2,628	2,619	1,938	685	2,623	2,614
EXPENSES/CONTRACTUAL SRVCS	177	307	224	258	482	530	224	280	504	562
MISC OPERATING EXPENSES	207	349	338	145	483	488	338	160	498	503
SUPPLIES/MATERIALS/PARTS	54	60	54	29	83	95	54	26	80	92
CAPITAL EQUIPMENT	125	27	27	132	159	226	27	72	99	156
REDISTRIBUTIONS	26	49	49	0	49	49	49	0	49	49
STATE OPERATIONS	2,283	2,598	2,630	1,254	3,884	4,007	2,630	1,223	3,853	3,976
LOCAL ASSISTANCE	53	60	40	15	55	40	40	15	55	40
TOTAL EXPENDITURES	2,336	2,658	2,670	1,269	3,939	4,047	2,670	1,238	3,908	4,016
CHANGE REQUESTS: FUND										
B AUTHORITY IN FERTILIZER REGULATION				194		194		203		203
B SOIL BUFFERING CONTINUATION				70		0		70		0
B PURPLE LOOSESTRIFE CONTINUATION				50		0		50		0
B AG LINE LEGISLATION				40		0		40		0
B PESTICIDE SURVEY				65		65		25		25
B STATE PESTICIDE MANAGEMENT PLAN				850		850		850		850
B WATER QUALITY MONITORING				0		268		0		268
TOTAL CHANGE REQUESTS				1,269		1,377		1,238		1,346
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	407	538	425	120	545	693	425	120	545	693
MN RESOURCES	0	0	0	65	65	65	0	25	25	25
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1,724	1,944	2,069	1,084	3,153	3,113	2,069	1,093	3,162	3,122
FEDERAL	205	176	176	0	176	176	176	0	176	176
TOTAL FINANCING	2,336	2,658	2,670	1,269	3,939	4,047	2,670	1,238	3,908	4,016

ACTIVITY: AGRONOMY SERVICES
Program: PROTECTION SERVICE
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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 provide economic protection to agricultural producers, their regulated suppliers and the purchasers of regulated products by enforcing labeling and related economic protection laws that provide for fair trade practices. The activity also administers a ground water monitoring program.

DESCRIPTION/BACKGROUND:

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. 18B.01-18B.39, 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.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Inspections and Samples				
Facility Inspections	3,235	3,400	3,450	3,500
Regulatory Samples	3,669	4,050	4,050	4,050
Stop-Sales Issued	77	75	75	75
Seed Service Samples	6,357	7,000	7,000	7,000
Soil Buffering Material Samples	0	72	0	0
Legal Weed Notices	1,250	1,200	1,000	800
Local Government Training Sessions	80	80	90	90

STATISTICS:
(Contd.)

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Pesticide Misuse Investigations	207	210	225	225
Pesticide Incident Investigations	105	125	150	150
Groundwater Samples	600	800	1,000	1,000
Soil Monitor Samples	50	75	100	100
Environmental Monitoring Sites	200	285	300	300
Licensed Persons				
Pesticide Applicators	42,500	43,500	50,000	50,500
Restricted Use Pesticide Dealers	775	800	825	875
Products Registered				
Pesticide	8,000	7,300	7,500	7,800
Fertilizer	1,323	1,400	1,450	1,500
Feed	21,500	22,000	22,000	22,000
Hybrid Seed Corn	1,507	1,500	1,500	1,500
Facilities Regulated				
Fertilizer	835	825	810	800
Feed	850	825	800	800
Pesticide	900	900	950	1,000

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u> <u>F.Y. 1988</u>	<u>Estimate</u> <u>F.Y. 1989</u>	<u>Estimate</u> <u>F.Y. 1990</u>	<u>Estimate</u> <u>F.Y. 1991</u>
Non-dedicated	\$ 0	\$ 0	\$ 0	\$ 0
Dedicated - Special	2,616	2,618	2,618	2,618
Dedicated - Federal	235	214	214	214
Total Revenue	\$ 2,851	\$ 2,832	\$ 2,832	\$ 2,832

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FOOD INSPECTION
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: TRAVEL/SUBSISTENCE IN-STATE

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 54	-0-	\$ 54	-0-

Governor's Recommendation

General Fund	\$ 40	-0-	\$ 40	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to increase the amount of General Funds available for in-state travel. The objective is to provide adequate travel funds for inspection personnel.

DESCRIPTION/BACKGROUND:

Adequate funding is not available for in-state travel. There has been a significant increase in the number of licensed food establishments at the same time that federal funds have been reduced. The number of retail food establishments has increased from 7,864 at the start of F.Y. 1986 to 8,432 on 7-1-88. In F.Y. 1989, travel costs are expected to exceed \$125,000. It is estimated that for F.Y. 1990 and F.Y. 1991, the division will need \$139,000 in travel funds. The division will enter the biennium with a total in-state travel budget of \$85,000 leaving a deficit of \$54,000. If left unfunded, the number of inspections will fall far below acceptable levels which could jeopardize public health, as well as the department's ability to respond to emergency situations such as food product tampering incidents, food poisoning episodes and natural disasters.

RATIONALE:

This request is being made to insure that adequate funding is provided for in-state travel for inspectors. This increase will provide proper funding for travel so that inspection activities can be maintained at acceptable levels.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 44	\$ 32	\$ 32	\$ 32
Dedicated Fund Expenditures	19	12	12	12
Federal Fund Expenditures	62	81	41	41

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 54	\$ 54	\$ 108

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding, as modified, for this request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FOOD INSPECTION
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: GENERAL FUNDING FOR CUSTOM MEAT AND POULTRY INSPECTION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 65	2.0	\$ 65	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to provide for the inspection of custom meat and poultry processing facilities. The objective is to provide adequate funds for custom meat and poultry inspection personnel.

DESCRIPTION/BACKGROUND:

The Food Inspection Division presently has an agreement with the United States Department of Agriculture, Food Safety and Inspection Service (USDA), under which the department conducts quarterly inspections and necessary follow-up in 375 custom meat and poultry processing facilities. These custom processing facilities slaughter or process non-inspected meat or poultry for the owner of the animals and return the products derived from the processing to the owner. These products cannot be offered for sale. This agreement is the 6th annual contract between MDA/USDA and provides total reimbursement to the state for inspection services. Currently, 2 food inspector positions are funded under this federal agreement.

The MDA inspection program has been repeatedly rated as outstanding by USDA during their quarterly inspection audits and has received national recognition. Effective 10-1-88, USDA funding for this program will be reduced by 50% which will create a F.Y. 1990 funding deficit in excess of \$65,000. If left partially funded, the number of inspections of these facilities will be reduced by 50% which could jeopardize public health through unsanitary facilities and the illegal sale of uninspected meat and poultry products.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Custom Meat Inspections	1,635	1,557	1,550	1,550

RATIONALE:

This request is being made to insure that adequate funding is provided to continue the custom exempt meat and poultry inspection program. This increase will provide proper funding to maintain this inspection program at a level that will protect public health from meat and poultry that are adulterated or from illegal non-inspected sources.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Federal Fund Expenditures	130	130	65	65

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 65	\$ 65	\$ 130

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FOOD INSPECTION
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: FOOD INSPECTION PROGRAM SPECIALIST

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 43	1.0	\$ 43	1.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds and position to facilitate administrative and inspection planning and coordination that has become increasingly burdensome due to food recalls, increasing administrative requirements and related issues. The objective is to have 1 staff person handle all information required for inspection contracts, coordinate recalls of food products, develop memorandums of understanding and other agreements between this department and other agencies, consumers and industry.

DESCRIPTION/BACKGROUND:

The Food Inspection Division has regulatory responsibility over more than 10,000 food handling firms in Minnesota. That responsibility includes all food processed, warehoused and offered for sale. Food handling technology is becoming more complicated each day. Food safety and wholesomeness and facility sanitation becomes of even greater importance. Increased information flow within the division, between agencies, to the media and finally to the ultimate consumer is necessary to prevent outbreaks of food poisoning.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Inspection Data Coordinated	0	0	20,500	21,000
Food Recalls	0	0	50	60
Coordinate Local Inspection Agreements	0	0	22	26
Coordinate Federal Contracts	0	0	5	5

RATIONALE:

Maintaining files on the more than 21,000 inspections made routinely each year is becoming an increasing administrative problem. The problems of retrieving information from those files in times of natural disasters, tampering incidents and recalls of unsafe food products dampen the capability of staff reaction.

This division has several agreements with federal, state and local agencies requiring formal talks with each agency. The specialist would be the contact person assigned to work on the 5 federal contracts and the various agreements between this agency and 35 other state and local agencies.

This person will also work with the media and the public to develop continuing education to promote food safety and sanitation.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 43	\$ 43	\$ 86

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FOOD INSPECTION
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: LABELS AND STANDARDS EXAMINER

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 39	1.0	\$ 39	1.0

Governor's Recommendation

General Fund	\$ 39	1.0	\$ 39	1.0
--------------	-------	-----	-------	-----

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 31, Sec. 31.11, Subd. 2 _____

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests this position and funding to meet the requirement of a department rule to review, oversee and approve the construction, remodeling or conversion of retail food store plans and specifications. The objective is to provide timely review of plans and specifications so that the intent of the rules are met without undue delays for the industry.

DESCRIPTION/BACKGROUND:

The department developed and adopted rules which became effective in June of 1988 relating to Retail Food Stores under parts 1547.0001 to 1547.0112. These rules require all food handlers prior to any construction, major remodeling or the conversion of an existing structure to provide complete plans and specifications showing the proposed layout, arrangement, mechanical plans, construction materials of work areas and the type and model of any proposed fixed equipment and facilities. No construction may be undertaken without the review and approval of the department. Funding would be partly provided by the fees collected under the plan review and approval fees provided by M.S. 31, Sec. 31.11.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Review Blueprints	0	0	100	125
Coordinate Food Samples	0	0	3,500	3,625
Coordinate Complaint Investigations	0	0	725	750

RATIONALE:

This position will require a person who is trained in the specific reading and interpretation of blueprints. This person will be required to know and understand what are proper materials and equipment including their design, and placement within the store. It is estimated that the department will receive 8 to 15 plans per month requiring approximately 4 to 16 hours per plan depending upon the size of the retail store and the types of installations within the store. Part of this plan review involves travel to the site to determine compliance to the requirement of the construction plan review and approval. This person will, during those periods of plan inactivity, be expected to coordinate sampling activities of the division, review labels, provide technical assistance to inspection staff and coordinate programs between Agriculture and other agencies. This person will also oversee the Consumer Complaint Desk to make certain all complaints will be brought to a final solution.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 37	\$ 37	\$ 37	\$ 37

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 39	\$ 39	\$ 78

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: DAIRY AND LIVESTOCK
Program: PROTECTION SERVICE
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

To guarantee dairy product quality, protect public health, and prevent unfair 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/BACKGROUND:

This activity inspects, permits or certifies all Grade A dairy farms and processing plants and all manufacturing grade farms and plants 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 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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dairy Inspection Activities				
Grade A Farm Inspections	22,000	22,000	21,000	20,000
Manufacturing Grade Farm Certifications	8,800	8,000	7,800	7,200
Grade A Farms in Compliance	93%	95%	95%	96%
Manufacturing Grade Farms in Compliance	88%	90%	90%	92%
Percent of Milksheds Found in Compliance by FDA Check Ratings	92%	91%	93%	95%
Interstate Milk Shipper Certifications	100	110	110	115
Dairy Plants Licensed	215	210	210	200
Dairy Plant Inspections	490	460	460	440
Samples Submitted	6,000	6,500	6,000	6,000

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dairy Inspection Activities (Cont.)				
Testers and Graders Licensed	1,780	1,700	1,620	1,700
Wholesale Dairy Distribution Centers Licensed	180	180	180	180
Dairy Trade Activities				
Dairy Trade Investigations Not Resulting in Adverse Actions	99%	99%	99%	99%
Complaints Received	330	320	300	300
Investigations Conducted	840	710	800	800
Livestock Activities				
Market Agencies	46	45	42	40
Livestock Dealers	365	360	355	350
Livestock Agents	198	185	180	170
Packing Companies	27	25	24	20
Packing Agents	188	180	175	165
Weight Certificates Issued	413,000	410,000	405,000	400,000
Head Weighed	3,700,000	3,200,000	3,000,000	2,800,000

REVENUE:

This activity generates dedicated and non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 205	\$ 210	\$ 210	\$ 210
Dedicated - Special	1,590	1,377	1,377	1,377
Dedicated - Federal	0	0	0	0
Total Revenue	\$ 1,795	\$ 1,587	\$ 1,587	\$ 1,587

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROTECTION SERVICE
BUDGET ACTIVITY : DAIRY & LIVESTOCK

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,810	1,429	1,459	38	1,497	1,459	1,459	41	1,500	1,459
EXPENSES/CONTRACTUAL SRVCS	118	147	66	0	66	66	66	0	66	66
MISC OPERATING EXPENSES	257	266	266	7	273	266	266	8	274	266
SUPPLIES/MATERIALS/PARTS	13	11	11	3	14	11	11	4	15	11
CAPITAL EQUIPMENT	4	5	5	0	5	5	5	0	5	5
REDISTRIBUTIONS	9	20	20	0	20	20	20	0	20	20
TOTAL EXPENDITURES	2,211	1,878	1,827	48	1,875	1,827	1,827	53	1,880	1,827

CHANGE REQUESTS:										
B DAIRY EQUIPMENT SPECIALIST				48		0		53		0
TOTAL CHANGE REQUESTS				48		0		53		0

SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	642	640	649	48	697	649	649	53	702	649
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1,569	1,208	1,178	0	1,178	1,178	1,178	0	1,178	1,178
GIFTS AND DEPOSITS	0	30	0	0	0	0	0	0	0	0
TOTAL FINANCING	2,211	1,878	1,827	48	1,875	1,827	1,827	53	1,880	1,827

POSITIONS BY FUND:										
GENERAL	17.6	17.6	17.6	1.0	18.6	17.6	17.6	1.0	18.6	17.6
SPECIAL REVENUE	45.9	41.9	41.9	0.0	41.9	41.9	41.9	0.0	41.9	41.9
TOTAL POSITIONS	63.5	59.5	59.5	1.0	60.5	59.5	59.5	1.0	60.5	59.5

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DAIRY AND LIVESTOCK
 PROGRAM: PROTECTION SERVICE
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: DAIRY EQUIPMENT SPECIALIST

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 48	1.0	\$ 53	1.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests funds and 1.0 position to establish a Dairy Equipment Specialist position 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 M.S. Ch.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.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Grade A Pasteurizers ¹			33	33
Manufacturing Pasteurizers ²			100	96
Percent of New Systems (Estimate)			20	19

¹ Grade A Pasteurizers are checked 4 times a year.
² Manufacturing Pasteurizers are checked 2 times a year.

RATIONALE:

There is growing public concern over the safety of milk and dairy products which sometimes 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 cheeses 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.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 53	\$ 53	\$ 106

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

PROGRAM: PROMOTION AND MARKETING
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The purpose of this program is to expand, improve or develop markets for the products of Minnesota agriculture. To accomplish this, trade and promotion activities are conducted on local, regional and national levels.

The primary goal of the program is to increase sales of Minnesota agricultural products. To achieve these goals, the program assists firms in developing and promoting their products and services.

OPERATION:

Operations in this program include organizing trade shows, advertising and public relations campaigns, consumer and industry educational efforts focusing on product quality and availability.

The program organizes and coordinates efforts to promote market development, and new product development activities by producers, processors and marketers to enhance the use of Minnesota resources in providing products for domestic and export trade.

Export activities are conducted jointly and in cooperation with the Minnesota Trade Office and the Export Finance Authority. These offices are part of the Department of Trade and Economic Development.

CLIENTELE:

The principle clientele for trade assistance are Minnesota business firms that are small-to-medium sized and interested in entering domestic markets. Minnesota industries that are targeted for assistance are agriculture and manufacturing firms with a potential for agricultural product utilization.

Agricultural promotion activities encourage and promote agriculture and food industries and investigate marketing conditions. This is accomplished through food shows, national market development, and other forms of marketing assistance to food processors, commodity organizations, producer organizations, and manufacturing firms with potential for agricultural commodity utilization.

BUDGET ISSUE:

Expanded resources are necessary to meet increasing client demands and to exploit trade and export opportunities. Increased technical support for agricultural marketing specialists is necessary to maximize efforts.

The 1988 legislature appropriated funds to the department for the purpose of entering into contracts for conducting bluegrass seed production and evaluation; establishing a pilot plant for protein xanthophyll alfalfa extraction and testing of markets; and investigating the feasibility of processing, marketing and producing amaranth. The appropriations are available until

6-30-89. The services and obligations required by the contracts are seasonal in nature, requiring activities that must be performed during the growing and marketing cycles of the C.Y.1989. Consequently, the contracts cannot be completed by 6-30-89.

EXPLANATION OF BUDGET REQUEST:

One CHANGE request item is requested for this program. \$185,000 in F.Y. 1990 and \$185,000 in F.Y. 1991 and 2.0 positions are requested for aquaculture development.

The department requests carry forward authority until 6-30-90, for appropriations authorized by Laws of 1988, Ch. 688, Art. 21, Sections 4, 5 and 16, which authorize the department to enter into contracts for bluegrass seed and turf production; establishment of a pilot plant for protein xanthophyll alfalfa extraction; and an investigation of the feasibility of producing, processing and marketing amaranth.

GOVERNOR'S RECOMMENDATION:

The Governor recommends BASE level funding for this program. The Governor also recommends the carry forward authority requested by the agency.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROMOTION & MARKETING

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990			F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MARKET DEVELOPMENT	408	450	457	185	642	457	457	185	642	457
B AQUACULTURE				185		0		185		0
MINN GROWN	354	1,804	251	0	251	251	251	0	251	251
TOTAL EXPENDITURES	762	2,254	708	185	893	708	708	185	893	708
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	567	1,335	657	185	842	657	657	185	842	657
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	1	1	0	1	1	1	0	1	1
GIFTS AND DEPOSITS	195	918	50	0	50	50	50	0	50	50
TOTAL FINANCING	762	2,254	708	185	893	708	708	185	893	708
POSITIONS BY FUND:										
GENERAL	9.0	9.0	9.0	2.0	11.0	9.0	9.0	2.0	11.0	9.0
TOTAL POSITIONS	9.0	9.0	9.0	2.0	11.0	9.0	9.0	2.0	11.0	9.0

ACTIVITY: MARKET DEVELOPMENT
 Program: PROMOTION AND MARKETING
 Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

REVENUE:

This activity does not generate revenue.

PURPOSE:

The objective of the Agriculture Marketing activity is to promote the agricultural interests of producers, promote state agricultural markets, and promote the agricultural interests of the state in cooperative production and marketing with other states. The division also works to increase the sales of Minnesota agricultural commodities, livestock, processed foods, and technology in domestic markets and to cooperate with the Minnesota Trade Office in the export sale of agricultural products.

DESCRIPTION/BACKGROUND:

The state assists Minnesota companies and farmers in identifying and penetrating new markets, increasing market share in existing markets and in developing and adapting new products made from agricultural goods. To accomplish this, the activity carries out several functions.

1. Minnesota Food Expo: This program is a 20 year cooperative effort by the state and industry in promoting Minnesota processed foods. The effort continues to receive support, and has now formed a cooperative relationship with other states for a combined promotional effort.
2. Processed Food Initiative: This is an effort to work closely with the Minnesota Trade Office on domestic and international projects including participation in trade shows and other promotional programs.
3. Ethanol Promotion: This was established to educate the public on the economic, environmental and performance benefits of ethanol and to promote ethanol fuel usage.
4. Agricultural Diversification: The effort is designed to assist the horticultural industry, help producers diversify farming operations, and coordinate state agency efforts regarding agricultural diversification.
5. Agricultural Product Promotion: The objective is to explore alternative uses for agricultural products to enable the state's agricultural economy to reach its full potential; and encourage public and private cooperative efforts in conducting basic research and disseminating results on agricultural commodity utilization.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of Food Expos	2	3	2	3
Number of Buyers Attending Food Expos	850	900	850	900
Tradeshows and Promotions	5	6	7	8
Ethanol Fleet Users	4	8	12	20
Education/Promotion Events	2	4	6	8
Agricultural Utilization Starts	0	2	4	6
Cooperative Efforts	1	3	5	7
Applied Research Grants Administration	0	4	?	?

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROMOTION & MARKETING
BUDGET ACTIVITY : MARKET DEVELOPMENT

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	259	271	278	85	363	278	278	85	363	278
EXPENSES/CONTRACTUAL SRVCS	75	59	59	71	130	59	59	71	130	59
MISC OPERATING EXPENSES	44	95	95	20	115	95	95	20	115	95
SUPPLIES/MATERIALS/PARTS	23	25	25	5	30	25	25	5	30	25
CAPITAL EQUIPMENT	7	0	0	4	4	0	0	4	4	0
TOTAL EXPENDITURES	408	450	457	185	642	457	457	185	642	457
CHANGE REQUESTS:										
	FUND									
B AQUACULTURE	GEN									
				185		0		185		0
TOTAL CHANGE REQUESTS				185		0		185		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	408	450	457	185	642	457	457	185	642	457
TOTAL FINANCING	408	450	457	185	642	457	457	185	642	457
POSITIONS BY FUND:										
GENERAL	9.0	9.0	9.0	2.0	11.0	9.0	9.0	2.0	11.0	9.0
TOTAL POSITIONS	9.0	9.0	9.0	2.0	11.0	9.0	9.0	2.0	11.0	9.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MARKET DEVELOPMENT
 PROGRAM: PROMOTION AND MARKETING
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: AQUACULTURE PROMOTION AND MARKET DEVELOPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 185	2.0	\$ 185	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions for aquaculture promotion and market development. The objective is to capitalize on emerging opportunities in aquaculture, to offer diversification options to producers while helping stimulate rural development. Granting of this request will allow the department to meet obligations mandated by Laws of Minnesota 1987, Chapters 318 and 296.

DESCRIPTION/BACKGROUND:

Laws of Minnesota 1987, Chapter 318, directed the department to establish and promote a program for the commercial raising of fish on fish farms. However, no appropriation or complement was granted with the authority. The department has and continues to participate on an interagency Aquaculture Advisory Committee established by the State Planning Agency. The Advisory Committee completed a biological and marketing study to pinpoint species and market potential for such an industry. The study estimated that an aquaculture industry in Minnesota has the potential to generate approximately \$132 million in additional direct revenue and 150 person years of employment in the next 6 to 8 years.

The study indicated that state involvement could include: assistance with market and product development, crop insurance, pilot studies, regulatory coordination, and pilot project loan guarantees. The study emphasized the need for a coordinated state agency focus and an industry association to represent the interests of all private aquaculturists.

The successful implementation of the effort will require the cooperation of and close working relationships among several state agencies and departments.

To date, this has been accomplished by the Aquaculture Advisory Committee, and for that reason, the department would continue the Committee. The specific activities of the department would be to:

1. Coordinate and encourage cooperation among private and public entities involved in aquaculture;
2. Provide staff support to the Aquaculture Advisory Committee;
3. Provide technical marketing assistance and information to aquaculture/fish farm operators;
4. Provide assistance or make referrals in developing business plans; and
5. Assist producers in finding markets for their products.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Feasibility Studies	0	0	1	1
Marketing Studies	0	0	6	6
Client Inquiries	0	0	75	75
Exhibits and Conferences	0	0	2	2

RATIONALE:

The department recognizes the potentially important role that aquaculture has in the diversification of agriculture for the state of Minnesota. Aquaculture may offer Minnesota producers the potential of added flexibility in farming operations and use of farmland. This effort relates well to other departmental activities. Laws of 1987, Chapter 296, Article 8, Section 1, directed the Commissioner to establish a program of agricultural diversification that included helping producers diversify farming operations and coordinate state agency efforts regarding agricultural diversification. The department would provide information and services for aquaculture similar to established information and services provided other agriculture sectors. The Aquaculture Advisory Committee has recommended that a program be established in the department.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 185	\$ 185	\$ 370

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: MINNESOTA GROWN
Program: PROMOTION AND MARKETING
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The objective of the Minnesota Grown promotion activity is to use the Minnesota Grown logo, labeling statement and related variations to promote the sale of Minnesota produced and processed products in the state and to take advantage of export and domestic opportunities outside the state.

DESCRIPTION/BACKGROUND:

The Minnesota Grown campaign is a generic statewide promotional effort. Through this effort the state assists Minnesota producers, packers, manufacturers and marketers of agricultural products through the use and promotion of products bearing specialized labels denoting that the product was produced in Minnesota. The program began predominantly through the efforts and investments of members of the fresh fruit and vegetable industry.

Considerable effort has been made to extend the participation and promotional efforts to include new Minnesota agricultural product categories. Promotional matching grant monies have been raised and expended in new initiative areas. This activity has enlarged the membership base and increased the promotional season and product mix that marketers can make use of to promote the increased sale of Minnesota's agricultural products.

The specific activities of the Minnesota Grown activity include the following:

1. Expansion and use of the Minnesota Grown label. The Minnesota Grown label can be used to identify agricultural products produced or processed in Minnesota. The department is developing labeling statements for specific marketing purposes.
2. Promotion of Minnesota Grown products in wholesale, retail and institutional markets. Programs are conducted to encourage the movement of Minnesota Grown products through wholesale, retail and institutional users. These include recipe contests for chefs; a Governor's Award Program for grocers who do an exceptional job of promoting Minnesota Grown products; and displays at major buyers shows, grower meetings, etc.
3. Production of the Directory of Roadside Stands, Pick Your Own Farms, Farmers' Markets and Orchards. This popular consumer-oriented directory is distributed annually to 60,000 persons.
4. Distribution of promotional material. The division has been serving as the distribution point for retailers, growers, etc., seeking promotional material.
5. Administration of the Minnesota Grown promotion fund. Current legislation authorizes expenditures for the promotion of the Minnesota Grown label and Minnesota Grown products. Funds are derived from a state account where private industry donations are matched by state funds.

The 1986 Legislature challenged the Minnesota Grown program to come up with \$40,000 in F.Y. 1988 and the industry responded, fully utilizing available dollars before the June 30 deadline. In F.Y. 1989, the industry responded again by raising most of the required \$50,000 during the first 3 months of the funding drive.

This tremendous response indicates industry support and desire for Minnesota Grown promotional programs. The diversity of the agricultural producer organizations that are actively participating in the program grew again this year with the addition of the Nursery, Floral and Honey growers associations. Participation from additional organizations is expected and is being sought.

Statutory References: 17.102 (1987, Chapter 396, Article 12, Section 2)

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
State Appropriation	\$ 160,000	\$ 200,000	\$ 200,000	\$ 200,000
Industry Money Raised	40,000	50,000	50,000	50,000
Trade Shows and Promotions	4	4	7	9
Participating Associations	6	9	11	13
Minnesota Producers Represented	1,000	2,000	2,300	2,600

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Dedicated - Special	\$ 47	\$ 707	\$ 50	\$ 50
Total Revenue	\$ 47	\$ 707	\$ 50	\$ 50

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : PROMOTION & MARKETING
BUDGET ACTIVITY : MINN GROWN

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	4	17	0	0	0	0	0	0	0	0
EXPENSES/CONTRACTUAL SRVCS	200	1,429	230	0	230	230	230	0	230	230
MISC OPERATING EXPENSES	53	21	21	0	21	21	21	0	21	21
SUPPLIES/MATERIALS/PARTS	13	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	0	0	<100>	0	<100>	<100>	<100>	0	<100>	<100>
STATE OPERATIONS	270	1,467	151	0	151	151	151	0	151	151
AIDS TO INDIVIDUALS	0	58	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	84	279	100	0	100	100	100	0	100	100
TOTAL EXPENDITURES	354	1,804	251	0	251	251	251	0	251	251
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	159	885	200	0	200	200	200	0	200	200
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	1	1	0	1	1	1	0	1	1
GIFTS AND DEPOSITS	195	918	50	0	50	50	50	0	50	50
TOTAL FINANCING	354	1,804	251	0	251	251	251	0	251	251
POSITIONS BY FUND:										
TOTAL POSITIONS										

PROGRAM: FAMILY FARM SECURITY
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 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 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.

OPERATION:

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 was 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 seven 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. No new applications have been taken since December 1985.

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 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 280 beginning farmers who are participants in the Family Farm Security Program. Clientele for 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 ISSUE:

The major budget issue for this program involves adequate funding for the Farm Crisis Assistance activity. The lingering effects of the financial crisis, the effects of the Agricultural Credit Act of 1987, and the future impacts of the 1988 drought make it imperative that the state continue its commitment to help farmers. These events have and will continue to create demands for financial counseling assistance on the part of 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:

Two CHANGE items are requested for this program. Decreased funding of \$648,000 in F.Y. 1990 and \$648,000 in F.Y. 1991 are requested. \$200,000 in F.Y. 1990 and \$200,000 in F.Y. 1991 are requested for farm crisis assistance.

GOVERNOR'S RECOMMENDATION:

The Governor recommends decreased funding of \$1,296,000 for interest adjustment payments and \$200,000 additional funding in F.Y. 1990 for farm crisis assistance. The Governor also recommends that no new loan guarantees be made under the Family Farm Security program for the F.Y. 1990-91 biennium.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : FAMILY FARM SECURITY

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FAMILY FARM SECURITY	2,855	3,105	3,100	<448>	2,652	2,652	2,829	<448>	2,381	2,181
B INTEREST ADJUSTMENT DECREASE				<648>		<648>		<648>		<648>
B FARM CRISIS ASSISTANCE				200		200		200		0
TOTAL EXPENDITURES	2,855	3,105	3,100	<448>	2,652	2,652	2,829	<448>	2,381	2,181
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,675	2,393	2,196	<448>	1,748	1,748	2,196	<448>	1,748	1,548
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1,180	712	904	0	904	904	633	0	633	633
TOTAL FINANCING	2,855	3,105	3,100	<448>	2,652	2,652	2,829	<448>	2,381	2,181
POSITIONS BY FUND:										
GENERAL	5.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0
TOTAL POSITIONS	5.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0

ACTIVITY: FAMILY FARM SECURITY PROGRAM
Program: FAMILY FARM SECURITY
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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. To administer the Farm Advocate Program so as to provide financial counseling and related assistance to farmers in need.

DESCRIPTION/BACKGROUND:

This activity assists qualifying persons in the purchase of farm real estate by guaranteeing loans and deferring interest payments for those who otherwise would be unable to obtain credit. This activity was created out of concern that economic factors, such as rising real estate prices and credit costs, were making it next to 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 on the unpaid balance of a farm real estate loan on behalf of a qualified buyer. A 4% interest adjustment payment may be paid by the state to any lender 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 by the buyer at a future date.

Participants facing severe cash flow problems may apply for Special Payment Assistance to help meet their farm payments. Also, sellers on the program that agreed to reduce the principal balance remaining by at least 10% were granted a 100% guarantee. As of 6-30-88, 95 amendments had been processed for 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 also administered under this activity. This function provides a statewide network of farm advocates who provide financial counseling and assistance directly to farm families. Referrals to other agencies or resources for specialized social services is also an important function of the program. The clientele for the 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 function of the farm advocates is to provide assistance to farmers in mediation, as directed by Laws of Minnesota 1986, Chapter 398.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Family Farm Security				
Active Participants/End of Year	280	260	246	241
Loan Guarantees in Force, Initial Balance (In Thousands)	\$ 41,347	\$ 38,402	\$ 36,334	\$ 35,596

STATISTICS:
(Contd.)

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Applications Received	0	0	0	0
Applications Approved	0	0	0	0
New Guarantee Amounts (In Thousands)	\$ 0	\$ 0	\$ 0	\$ 0
Acres Purchased	0	0	0	0
Participant Files Evaluated	330	280	260	246
Loan Defaults Processed	47	20	14	5
Contract Reductions Processed	7	1	0	0
Mediation Sessions Attended	44	40	20	5
Farm Crisis Assistance				
Number of Advocates	22	25	26	26
Number of Clients per Advocate per Year	1,386	1,552	3,338	3,338
Number of Telephone Contacts per Year	319	357	835	835
Number of One-to-One Contacts per Year	1,067	1,195	2,502	2,502

CORPORATE FARMS: End of Year

	<u>C.Y. 1987</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989</u>	<u>C.Y. 1990</u>
Landowners Registered				
Family and Authorized Farm Corporations	1,000	1,150	1,150	1,150
General Business Corporations	150	150	150	150
Financial Institutions, Others	250	275	275	275
Alien, Non-resident	13	13	13	13
Acreage Owned				
Family and 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 DECREASED level funding for the Family Farm Security program. This level of funds will provide for administrative support, interest adjustment payments for participants currently in the program and meet obligations for state income tax refunds as authorized by Laws of 1986, Special Session H.F. No. 2, Article 1.

No new loan guarantees have been added to the program since December 1985. Defaults and withdrawals from the program have reduced the number of loans that an interest adjustment payment is made on.

INTEREST ADJUSTMENT PAYMENT:

Statutory Reference: M.S. 41.51-41.61

The interest adjustment payment assists individuals to purchase real estate by lessening the immediate burden of high interest rates. The Family Farm Security Act authorizes the interest payment, 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.

ACTIVITY: FAMILY FARM SECURITY PROGRAM
 (Continuation)
 Program: FAMILY FARM SECURITY
 Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

The 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.

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.

Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 1,134.5	\$ 1,077.0	\$ 961.5	\$ 961.5
TOTAL	\$ 1,134.5	\$ 1,077.0	\$ 961.5	\$ 961.5

REVENUE:

This activity generates non-dedicated revenue.

Type of Revenue:	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 293	\$ 0	\$ 0	\$ 0
Dedicated - Special	591	653	830	170
Dedicated - Federal	0	0	0	0
Total Revenue	\$ 884	\$ 653	\$ 830	\$ 170

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : FAMILY FARM SECURITY
BUDGET ACTIVITY : FAMILY FARM SECURITY

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	182	164	165	11	176	176	165	11	176	165
EXPENSES/CONTRACTUAL SRVCS	339	471	308	174	482	482	308	174	482	308
MISC OPERATING EXPENSES	190	56	31	5	36	36	31	5	36	31
SUPPLIES/MATERIALS/PARTS	18	17	7	10	17	17	7	10	17	7
CAPITAL EQUIPMENT	4	0	0	0	0	0	0	0	0	0
REAL PROPERTY	922	712	904	0	904	904	633	0	633	633
NON-EXPENSE DISBURSEMENTS	1,148	1,610	1,610	<648>	962	962	1,610	<648>	962	962
STATE OPERATIONS	2,803	3,030	3,025	<448>	2,577	2,577	2,754	<448>	2,306	2,106
AIDS TO INDIVIDUALS	52	75	75	0	75	75	75	0	75	75
TOTAL EXPENDITURES	2,855	3,105	3,100	<448>	2,652	2,652	2,829	<448>	2,381	2,181
CHANGE REQUESTS:	FUND									
B INTEREST ADJUSTMENT DECREASE				<648>			<648>			<648>
B FARM CRISIS ASSISTANCE				200			200			0
TOTAL CHANGE REQUESTS				<448>			<448>			<648>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,675	2,393	2,196	<448>	1,748	1,748	2,196	<448>	1,748	1,548
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	1,180	712	904	0	904	904	633	0	633	633
TOTAL FINANCING	2,855	3,105	3,100	<448>	2,652	2,652	2,829	<448>	2,381	2,181
POSITIONS BY FUND:										
GENERAL	5.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0
TOTAL POSITIONS	5.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FAMILY FARM SECURITY PROGRAM
 PROGRAM: FAMILY FARM SECURITY
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: DECREASE INTEREST ADJUSTMENT FUNDING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$(648)	-0-	\$(648)	-0-
Governor's Recommendation				
General Fund	\$(648)	-0-	\$(648)	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests a decrease in funding available for interest adjustment payments. The objective is to reduce appropriations from base level to put funding at the appropriate level to meet actual needs.

DESCRIPTION/BACKGROUND:

The Family Farm Security Act was passed by the Legislature in 1976 to assist beginning farmers to purchase farm real estate. One facet of the program was for the state to make an interest payment equivalent to 4% of the loan balance directly to the lender on behalf of the participant. This interest adjustment payment was designed to assist the participant's cash flow. These payments are due back to the state at a later date with no interest charged if repaid within certain time limits.

This request would reduce the funding by \$648,000 per year for these payments. The number of participants in the program grew through C.Y. 1985. No new guarantees have been approved into the program since December 1985. Defaults and withdrawals have reduced the total number of participants from 394 on 1-1-86, down to 280 on 7-1-88. Consequently, the amount of funds required to meet 4% interest adjustment payments has declined. Projections of participants through the 1990-91 biennium indicate that less money will be needed for interest adjustment payments.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Active Participants/End of Year	280	260	246	241
Loan Guarantees in Force	28,888	26,000	23,862	22,654
Net Balance				

RATIONALE:

The activity has been restricted from adding new participants, thus reducing the amount of funds necessary to make the payments.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,134	\$ 1,610	\$ 1,610	\$ 1,610

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	(\$ 648)	(\$ 648)	(\$1,296)

GOVERNOR'S RECOMMENDATION:

The Governor recommends the agency's request for reduced funding for interest adjustment payments.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FAMILY FARM SECURITY PROGRAM
 PROGRAM: FAMILY FARM SECURITY
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: FARM CRISIS ASSISTANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 200	-0-	\$ 200	-0-
Governor's Recommendation				
General Fund	\$ 200	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to meet increasing demand for services and to increase the number of Farm Advocates. The objective is to provide increased technical and monetary support for advocates to avoid turnover as well as to serve more farmers.

DESCRIPTION/BACKGROUND:

In the past year, 2 major events have taken place which alone or together will generate an increased demand for Farm Advocate services. First, Congress passed the Agricultural Credit Act of 1987 which requires the 2 largest agricultural lending institutions to mediate and restructure debt with their borrowers. Second, the recent drought will cause severe financial distress to a large proportion of farmers and especially to those who have recently restructured their debt. Combined, these 2 events have created an increased need among farmers for advocacy services to help make the best use of the agricultural credit and disaster relief loans available to farmers.

These events and the consequent demand also create new needs for the Farm Advocate Program. The advocates need additional support to meet client needs. The number of individuals that each advocate can help is limited because the resources available to them is limited. For example, quite often clients will need several versions of a cash flow statement from which to mediate or negotiate. Computers are essential to work out complex cash flows. Also, many lenders continue to require FINPACK projections specifically, both inside and outside of mediation. Currently, the farmer or advocate must take the time to drive to a location which houses a computer with FINPACK software. If that advocate had access to a computer, this travel time could be spent working with more farmers. Similarly, advocates need increased access to copy machines. Since the advocates work out of their

homes, travel time to a facility with a copier must be spent to ensure proper documentation for their clients. The granting of this request would allow for the leasing of computers or copiers.

The addition of 2 more advocates will allow the program to serve all agricultural areas of the state.

Increased compensation for experienced advocates accounts for the final portion of this request. An increase in the wage from \$7/hour to \$8/hour and time compensation from 87 hours/month to 100 hours/month will allow the program to continue to contract with the experienced and trained advocates.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Advocates	22	25	27	27
Number of Clients Per Year	3,516	3,995	4,957	4,957
Number of Telephone Contacts Per Year	809	914	1,134	1,134
Number of One-to-One Contacts Per Year	2,707	3,081	3,823	3,823

RATIONALE:

The Farm Advocates provide financial and legal information and counseling to farmers. With increased access to computers and copiers, Farm Advocates can help facilitate farmers' decision making. The total request will help advocates improve the quality of their service and the number of people they can serve, in light of an expected increase in the need for their services.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 288	\$ 489	\$ 289	\$ 289

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 200	\$ 200	\$ 400

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding for this request in F.Y. 1990 to help farmers affected by the drought. The Governor also recommends extension of the farmer-lender mediation program through 6-30-90. The farm advocates should assist farmers with mediation under that program.

PROGRAM: SOIL AND WATER CONSERVATION
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

Laws of Minnesota for 1987, Chapter 358, Sections 33, 34, 88-93, 101-105 and 121-126 abolished the Soil and Water Conservation Board (SWCB) and merged the SWCB, the Water Resources Board and the Southern Minnesota Rivers Basin Commission into an independent Board of Water and Soil Resources.

EXPLANATION OF BUDGET REQUEST:

None

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : SOIL & WATER CONSERV
BUDGET ACTIVITY : SOIL & WATER CONSERV

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	140	0	0	0	0	0	0	0	0	0	0
EXPENSES/CONTRACTUAL SRVCS	11	0	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	12	0	0	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	2	0	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	165	0	0	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	2,635	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	2,800	0	0	0	0	0	0	0	0	0	0
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,526	0	0	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:											
GENERAL	274	0	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	2,800	0	0	0	0	0	0	0	0	0	0
POSITIONS BY FUND:											
TOTAL POSITIONS											

PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

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.

OPERATION:

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 ISSUE:

Minnesota Statutes 38.02, established a formula for providing financial support to agricultural societies. Current funding does not provide a full formula allocation to these organizations.

Increased regulatory activities have strained the department's laboratory capability. Expanding demands from regulatory activities, such as pesticide regulation, 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. An additional problem is that funds for replacing laboratory equipment are inadequate. Aging and antiquated equipment prevent the use of personnel resources at maximum levels of efficiency.

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 the 1984 Agriculture Land Preservation Act, 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 on alternatives such as vegetables, berries, etc. Currently, there is no accurate information available of such crops. 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:

Five CHANGE items are requested for this program. \$64,000 in F.Y. 1990 and \$51,000 in F.Y. 1991 and 2.0 positions are requested for Office Management Resources Update. \$40,000 in F.Y. 1990 and \$40,000 in F.Y. 1991 and 1.0 position are requested for safety and health officer. \$75,000 in F.Y. 1990 and \$80,000 in F.Y. 1991 are requested for agriculture information. \$100,000 in F.Y. 1990 and \$100,000 in F.Y. 1991 are requested for laboratory equipment. \$50,000 in F.Y. 1990 and \$50,000 in F.Y. 1991 are requested for inspection fees for the Food For Peace program.

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the RIM Reserve program be transferred to the Board of Water and Soil Resources for a net reduction of \$1,804,000 for the biennium. The Governor also recommends \$60,000 for office management resources, \$105,000 for laboratory equipment, and \$173,000 for Low Input/Sustainable Ag, a component of the "Comprehensive Water Resources Protection Act of 1989" that the Governor is proposing.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
ACCNING, LICENSING & GRANTS	2,172	2,731	2,741	0	2,741	1,839	2,741	0	2,741	1,839
B RIM TRANSFER	GEN			0		<902>		0		<902>
PERSONNEL & OFFICE MGMT	525	559	594	104	698	629	594	91	685	619
B OFFICE MANAGEMENT RESOURCES	GEN			64		35		51		25
B SAFETY & HEALTH OFFICER	GEN			40		0		40		0
PROGRAM & MGMT SUPPORT	731	1,433	1,740	75	1,815	1,827	1,490	80	1,570	1,576
B AGRICULTURAL INFORMATION	GEN			75		0		80		0
B LOW INPUT/SUSTAINABLE AG	GEN			0		87		0		86
LABORATORY SERVICES	1,237	1,227	1,237	100	1,337	1,307	1,237	100	1,337	1,272
B LABORATORY EQUIPMENT	GEN			100		70		100		35
COMMISSIONERS OFFICE	983	915	771	110	881	831	771	110	881	831
A DEPARTMENT NETWORK DISTRIBUTION	GEN			60		60		60		60
B INSPECTION FEES FOR PUBLIC LAW 480 FOR PEACE	FOOD GEN			50		0		50		0
TOTAL EXPENDITURES	5,648	6,865	7,083	389	7,472	6,433	6,833	381	7,214	6,137
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	4,794	5,554	5,581	389	5,970	4,931	5,581	381	5,962	4,885
SPECIAL REVENUE	74	185	185	0	185	185	185	0	185	185
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	469	832	1,184	0	1,184	1,184	934	0	934	934
FEDERAL	301	235	133	0	133	133	133	0	133	133
GIFTS AND DEPOSITS	10	59	0	0	0	0	0	0	0	0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL FINANCING	5,648	6,865	7,083	389	7,472	6,433	6,833	381	7,214	6,137
POSITIONS BY FUND:										
GENERAL	80.9	81.9	81.9	4.0	85.9	81.9	81.9	4.0	85.9	81.9
SPECIAL REVENUE	8.0	9.0	9.0	0.0	9.0	9.0	9.0	0.0	9.0	9.0
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	89.9	91.9	91.9	4.0	95.9	91.9	91.9	4.0	95.9	91.9

ACTIVITY: ACCOUNTING, LICENSING AND GRANTS
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
 A : AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

This activity administers the accounting, budgeting, and auditing functions of the department. The Accounting, Licensing and Grants activity provides services in 7 categories:

1. Processing and payment of all bills for the agency;
2. Collection and recording of all revenue received by the agency;
3. Providing of professional accounting and financial services to the Commissioner's Office and agency activity managers;
4. Issuance of licenses for divisions using the Statewide Licensing System and department minicomputer systems;
5. Payment of claims for livestock destroyed by an endangered species;
6. Payment of grants and distribution of state funds appropriated for County and District Agricultural Societies and Associations; and
7. Administers the costs for the Conservation Reserve Program.

DESCRIPTION/BACKGROUND:

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. It also contains the costs for the Conservation Reserve Program.

Authority for this activity is found in M.S. Chapter 3, 17 and 38.02.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Requisitions Processed	700	700	750	750
Supplemental Budgets Processed	500	550	600	600
Number of Appropriation Accounts	75	105	105	105
Number of Account Identifiers	125	175	175	175
Audits Conducted	12	12	12	12
Licenses and Permits Issued	27,000	27,000	27,000	27,000
Livestock Compensation Claims	27	40	40	40

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 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 contests, etc. Recipients of the state appropriations 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. Filing of statement of the premium allocations, records, and/or payments;
2. Financial statement reviewed by the department; and
3. Allocations and distributions are made in accordance with the law or specific appropriation provided the association. Agricultural societies are required to submit annual reports to the commissioner.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
County and District Agricultural Societies	\$ 248,800	\$ 349,825	\$ 248,800	\$ 248,800
Red River Valley Livestock Association	5,900	8,295	5,900	5,900
Northeast Minnesota Junior Livestock Show Association	1,200	1,685	1,200	1,200
Livestock Premiums Boys & Girls	3,700	5,200	3,700	3,700
Red Lake Band of Chippewa Indians	900	1,265	900	900
Poultry Association	1,800	2,480	1,800	1,800
Minnesota Poultry Association	800	1,175	800	800
Northern Poultry Association	100	145	100	100
Red River Valley Dairymen's Association	1,200	1,685	1,200	1,200
Minnesota Livestock Breeders Association	18,900	26,575	18,900	18,900
Northern Sheep Growers Association	1,000	1,045	1,000	1,000
TOTAL	\$ 284,300	\$ 429,300	\$ 284,300	\$ 284,300

(Dollars in Thousands)

Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 284	\$ 429	\$ 284	\$ 284
TOTAL	\$ 284	\$ 429	\$ 284	\$ 284

2. Livestock Compensation and Crop Damage Claims:

Statutory Reference: M.S. 3.737 and 3.7371

This claim program is intended to compensate 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. Claims are approved for livestock killed by the Eastern Timberwolf and American Bald Eagle. Claims are also processed for crop damage caused by elk under a formula contained in the law. 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 with livestock being 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;

ACTIVITY: ACCOUNTING, LICENSING AND GRANTS **1990-91 Biennial Budget**
 (Continuation)
Program: ADMINISTRATIVE SUPPORT AND GRANTS
Agency: AGRICULTURE, DEPARTMENT OF

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.

(Dollars in Thousands)				
Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 24	\$ 82	\$ 71	\$ 71
TOTAL	\$ 24	\$ 82	\$ 71	\$ 71

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 2 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.

(Dollars in Thousands)				
Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 73	\$ 103	\$ 73	\$ 73
TOTAL	\$ 73	\$ 103	\$ 73	\$ 73

4. Conservation Reserve Program

Statutory Reference: M.S. Chapter 40 (40.41-40.45) and Laws of 1987, Chapter 357 and Chapter 400.

Provide grants to Soil and Water Conservation Districts for the processing of easements by the districts for the Reinvest in Minnesota program and assist in promoting and implementing a comprehensive program of conservation easements designed to retire marginal cropland from production, restore previously drained wetlands, and establish tree (living) snowfences adjacent to highways. The Conservation Reserve is 1 of many programs used by resource managers to reduce soil erosion, protect water quality and enhance wildlife. The Conservation Reserve complements other components of the 1986 Reinvest in Minnesota Act. Bond funds have been used since program inception in 1986 to fund the actual cost of the easements.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Easements Conveyed	216	190	180	170
Acres Enrolled	9,000	8,500	8,000	7,500

(Dollars in Thousands)				
Grants By Fund:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 900	\$ 900	\$ 900	\$ 900
Special Fund	\$ 4,500	\$ 4,500	\$ 0	\$ 0
TOTAL	\$ 5,400	\$ 5,400	\$ 900	\$ 900

REVENUE:

This activity generates dedicated revenue.

(Dollars in Thousands)				
Type of Revenue:	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Dedicated - Special Fund	\$ 32	\$ 30	\$ 30	\$ 30
Total Revenue	\$ 32	\$ 30	\$ 30	\$ 30

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS
BUDGET ACTIVITY : ACCNTING, LICENSING & GRANTS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	514	634	667	0	667	570	667	0	667	570
EXPENSES/CONTRACTUAL SRVCS	129	484	482	0	482	458	482	0	482	458
MISC OPERATING EXPENSES	64	119	103	0	103	91	103	0	103	91
SUPPLIES/MATERIALS/PARTS	35	22	22	0	22	5	22	0	22	5
CAPITAL EQUIPMENT	112	9	4	0	4	2	4	0	4	2
REDISTRIBUTIONS	209	210	210	0	210	210	210	0	210	210
STATE OPERATIONS	1,063	1,478	1,488	0	1,488	1,336	1,488	0	1,488	1,336
LOCAL ASSISTANCE	1,109	1,253	1,253	0	1,253	503	1,253	0	1,253	503
TOTAL EXPENDITURES	2,172	2,731	2,741	0	2,741	1,839	2,741	0	2,741	1,839
CHANGE REQUESTS:	FUND									
B RIM TRANSFER	GEN									
				0		<902>		0		<902>
TOTAL CHANGE REQUESTS				0		<902>		0		<902>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,768	2,325	2,335	0	2,335	1,433	2,335	0	2,335	1,433
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	299	304	406	0	406	406	406	0	406	406
FEDERAL	105	102	0	0	0	0	0	0	0	0
TOTAL FINANCING	2,172	2,731	2,741	0	2,741	1,839	2,741	0	2,741	1,839
POSITIONS BY FUND:										
GENERAL	18.4	18.4	18.4	0.0	18.4	15.4	18.4	0.0	18.4	15.4
SPECIAL REVENUE	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	20.4	20.4	20.4	0.0	20.4	17.4	20.4	0.0	20.4	17.4

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: ACCOUNTING, LICENSING, AND GRANTS
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: RIM TRANSFER

	<u>F.Y. 1990</u>		<u>F.Y. 1991</u>	
	(000's)		(000's)	
	<u>Amount</u>	<u>Positions</u>	<u>Amount</u>	<u>Positions</u>
Governor's Recommendation				
General Fund	\$ (902)	3.0	\$ (902)	3.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 40.42 - 40.45

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the administration of the conservation reserve program within RIM (Reinvest in Minnesota Resources) be transferred to the Board of Water and Soil Resources effective 7-1-89. In addition to the positions and funding shown above, the management of any remaining bond proceeds appropriated for the RIM Reserve program should also be transferred on that date.

DESCRIPTION/BACKGROUND:

At its inception in 1986, the RIM Reserve program was administered by the former Soil and Water Conservation Board (SWCB) within the Department of Agriculture. In 1987, the Board of Water and Soil Resources (BWSR) was created to assume most of the SWCB duties. Statutory responsibilities for the RIM Reserve program remain with the commissioner of Agriculture under current law. The commissioner contracts with BWSR to implement the program. Now that BWSR is fully functional, the Governor recommends that the full authority and budget for the program be transferred to BWSR.

<u>BASE:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 888	\$ 912	\$ 902	\$ 902

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund	\$ (902)	\$ (902)	\$(1,804)

ACTIVITY: PERSONNEL AND OFFICE MANAGEMENT 1990-91 Biennial Budget
Program: ADMINISTRATIVE SUPPORT AND GRANTS
Agency: AGRICULTURE, DEPARTMENT OF

REVENUE:

This activity does not generate revenue.

PURPOSE:

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/BACKGROUND:

This activity provides personnel and office management support services to the department and approximately 475 employees located throughout the state in 125 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.

Personnel 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; serves as the designated department insurance representative; administers decentralized examinations; and advises supervisory and management staff on union contract language, interpretation, grievance provisions, and other matters.

Office Management assists other activities to resolve clerical and office management problems; maintain adequate supplies and equipment. Other services include clerical overload; building maintenance and security coordination; space allocation and utilization; consumable inventory control; central supply purchasing; records and forms management; a federal and interoffice mail distribution system; and providing a central receptionist. The Word Processing Center provides administration, training, and word processing services on a microcomputer for the 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.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Personnel Documents Processed	4,800	4,900	5,000	5,200
All Personnel				
Number of New Hires	78	50	55	60
Number of Promotions	30	34	38	42
Hours Counseling	450	475	500	500
Insurance Applications Processed	350	400	450	500
Positions Established or				
Reclassified	25	25	28	30
Examinations Administered	11	12	14	15
Applications Rated	267	280	300	325
Line Printed	3,000,000	3,500,000	4,000,000	4,500,000
Cost Made	2,200,000	2,300,000	2,400,000	2,500,000

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS
BUDGET ACTIVITY : PERSONNEL & OFFICE MGMT

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	450	483	518	82	600	541	518	82	600	541
EXPENSES/CONTRACTUAL SRVCS	97	107	107	1	108	107	107	1	108	107
MISC OPERATING EXPENSES	8	8	8	3	11	8	8	3	11	8
SUPPLIES/MATERIALS/PARTS	9	3	3	8	11	7	3	5	8	5
CAPITAL EQUIPMENT	5	2	2	10	12	10	2	0	2	2
REDISTRIBUTIONS	<44>	<44>	<44>	0	<44>	<44>	<44>	0	<44>	<44>
TOTAL EXPENDITURES	525	559	594	104	698	629	594	91	685	619
CHANGE REQUESTS: FUND										
B OFFICE MANAGEMENT RESOURCES					64	35		51		25
B SAFETY & HEALTH OFFICER					40	0		40		0
TOTAL CHANGE REQUESTS					104	35		91		25
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	525	559	594	104	698	629	594	91	685	619
TOTAL FINANCING	525	559	594	104	698	629	594	91	685	619
POSITIONS BY FUND:										
GENERAL	17.0	17.0	17.0	3.0	20.0	18.0	17.0	3.0	20.0	18.0
TOTAL POSITIONS	17.0	17.0	17.0	3.0	20.0	18.0	17.0	3.0	20.0	18.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PERSONNEL AND OFFICE MANAGEMENT
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: OFFICE MANAGEMENT RESOURCES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 64	2.0	\$ 51	2.0
Governor's Recommendation				
General Fund	\$ 35	1.0	\$ 25	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds and positions to provide continuing enhanced centralized office support to other divisions. The objectives are to provide part-time clerical assistance during peak workload periods and rush projects, and upgrade the Word Processing and Copy Center with improved technical software and equipment 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 workloads. The use of this resource has proven beneficial for the department because of the seasonality of workloads, but demand has now exceeded available resources. The Word Processing Center workload has been increasing by 28% each year which has often resulted in costly turnaround time delays. More advanced equipment will enable the department to meet its needs.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Lines Printed	3,000,000	3,500,000	4,000,000	4,500,000
Copies Made	2,200,000	2,300,000	2,400,000	2,500,000
Supplies Issued	\$ 35,000	\$ 38,000	\$ 40,000	\$ 40,000
Part-Time Clerical People	4	6	6	6

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. Updated equipment 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.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 44	\$ 44	\$ 44	\$ 44

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 51	\$ 51	\$ 102

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding and positions, as modified, for this request.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: PERSONNEL AND OFFICE MANAGEMENT
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: SAFETY AND HEALTH OFFICER

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 40	1.0	\$ 40	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 these funds and position to establish a Safety and Health Officer. The objective is to have 1 employee responsible for safety. OSHA requirements mandate specific employee training which the agency cannot provide with current resources.

DESCRIPTION/BACKGROUND:

The department has concerns about OSHA regulations and whether or not the agency could be cited by OSHA. Agency employees are frequently sent out to investigate emergency situations such as chemical spills, fires, etc. OSHA provides for specific training and equipment checks for emergency response employees. The department has been unable to meet these requirements because it does not have anyone specifically trained in employee safety.

This request would provide funding for 1 full-time Safety and Health Officer who would be responsible for OSHA training, employee safety and accident prevention.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Emergencies Responses	104	115	125	140
Employees Requiring Safety Training	135	150	155	160
Investigation of Damage or Exposure of Humans or Animals	217	225	230	240

RATIONALE:

Department staff are increasingly becoming involved in situations which potentially expose them to toxic chemicals and other hazards. It is imperative that staff have adequate safety training so that they have sufficient knowledge to handle emergency situations. Failure to provide safety training could result in OSHA fines, lawsuits or even employee injury.

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 40	\$ 40	\$ 80

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT
 Project: ADMINISTRATIVE SUPPORT AND GRANTS
 Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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 programmatically related to other activities, and also has the responsibility to conduct surveys of Minnesota farmers and agricultural industries.

DESCRIPTION/BACKGROUND:

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 in specific program areas. The administration of the 1982 Agricultural Land Protection and 1984 State Agricultural Land Preservation and Conservation Acts has been assigned to this division. The administration of the Sustainable Agriculture Loan and Grant Program is the responsibility of this activity.

The Agricultural Statistics Division is a part of this activity. It provides estimates of crop acreage and yield, livestock inventories, farm prices/expenses/income, weekly crop-weather conditions, 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. Provide statistical expertise and sampling frames needed to conduct special surveys related to agriculture or rural areas.

Authority for this activity is found in M.S. 17.03; 17.80-17.84, 42.01-42.14, and Laws of 1984, Ch.654, Sections 31-47 and Laws of 1988, Ch.688, Art 5.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Environmental Documents Reviewed	192	190	190	190
Environmental Quality Board Briefings/Meetings	11	11	11	11
Administrative Rules Promulgated	8	8	8	8
Activities Assisted with Budget	0	14	0	14
Bills/Legislation Drafted	5	10	5	10
Fiscal Notes Prepared	23	25	25	25
Counties Receiving Agricultural Land Planning Grants	0	0	0	0

<u>STATISTICS:</u> (Contd.)	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Counties Receiving Technical Assistance	6	8	6	6
Number of County Plans/Controls Completed	5	3	3	3
Agricultural Land/State Agency Actions or Rules Reviewed	2	4	4	4
Surveys Conducted	305	310	310	310
Number of Crops for Which County Estimates Produced	24	24	24	24
Number of Livestock/Dairy/Poultry Estimates Produced	8	8	8	8
Agriculture Statistical Bulletins Published	4,000	4,000	0	0
Telephone/Mail Data Requests	3,100	3,200	3,250	3,400
Requests/Statistical Sampling Assistance	16	17	20	23
WIC Coupons Distributed	0	79,200	0	0
Percent Coupons Received	0	59	0	0
Sustainable Agriculture Grants	0	25	25	25

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated - Special	\$ 197	\$ 267	\$ 177	\$ 47
Dedicated - Federal	15	67	67	67
Total Revenue	\$ 212	\$ 334	\$ 244	\$ 114

TITLE: Sustainable Agriculture Loan and Grant Program

STATUTORY AUTHORITY: Laws of 1988, Ch. 688, Art. 15, Sections 1 and 2.

PURPOSE:

The goal of the program is twofold:

1. To demonstrate and publicize agricultural practices that are energy efficient, protect the environment, and lower production costs; and
2. To provide low interest loans to farmers as a help and an incentive to adopt or implement such practices. The loan program provides loans for the purchase of new or used machinery, installation of equipment and implementation of products that reduce or make more efficient farm energy use. Eligible recipients for the loan program may only be residents of Minnesota who are engaged in farming. Loans may not exceed \$15,000 per individual, or \$75,000 for loans to 5 or more individuals on joint projects.

The grants fund demonstrations on farms to show how to reduce external inputs, use energy more efficiently, or produce usable on-farm energy. Grants may only be made to farmers, educational institutions, or non-profit organizations residing or located in the state for demonstration on farms located in Minnesota. Grant awards may not exceed \$50,000. If project cost

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT
(Continuation)

1990-91 Biennial Budget

Program: ADMINISTRATIVE SUPPORT AND GRANTS
Agency: AGRICULTURE, DEPARTMENT OF

is more than \$25,000, the amount above \$25,000 must be cost-shared at a ratio of 1-to-1. Priority must be given to projects involving multiple parties.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Loan Program				
Number of Loan applications	0	50	100	50
Number of Loans Made	0	25	50	25
Amount Loans Requested (000's)	0	500	1,000	500
Amount Loans Made	0	250	500	250
Grant Program				
Number of Grant Applications	0	100	100	100
Number of Grants Made	0	25	25	25
Amount Grants Requested (000's)	0	750	750	750
Amount Grant Assistance	0	280	280	280
Grants By Fund:				
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund	\$ 0	\$ 300	\$ 300	\$ 300
Dedicated	0	500	500	500
Total	\$ 0	\$ 800	\$ 800	\$ 800

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS
BUDGET ACTIVITY : PROGRAM & MGMT SUPPORT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	452	543	612	0	612	647	612	0	612	647
EXPENSES/CONTRACTUAL SRVCS	209	258	246	58	304	283	246	62	308	283
MISC OPERATING EXPENSES	36	68	68	13	81	77	68	14	82	77
SUPPLIES/MATERIALS/PARTS	13	14	14	4	18	17	14	4	18	17
CAPITAL EQUIPMENT	20	18	18	0	18	21	18	0	18	20
NON-EXPENSE DISBURSEMENTS	0	250	500	0	500	500	250	0	250	250
REDISTRIBUTIONS	1	2	2	0	2	2	2	0	2	2
STATE OPERATIONS	731	1,153	1,460	75	1,535	1,547	1,210	80	1,290	1,296
LOCAL ASSISTANCE	0	280	280	0	280	280	280	0	280	280
TOTAL EXPENDITURES	731	1,433	1,740	75	1,815	1,827	1,490	80	1,570	1,576
CHANGE REQUESTS:	FUND									
B AGRICULTURAL INFORMATION				75				80	0	
B LOW INPUT/SUSTAINABLE AG				0				0	86	
TOTAL CHANGE REQUESTS				75				80	86	
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	496	843	900	75	975	987	900	80	980	986
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	162	523	773	0	773	773	523	0	523	523
FEDERAL	73	67	67	0	67	67	67	0	67	67
TOTAL FINANCING	731	1,433	1,740	75	1,815	1,827	1,490	80	1,570	1,576
POSITIONS BY FUND:										
GENERAL	12.0	13.0	13.0	0.0	13.0	14.0	13.0	0.0	13.0	14.0
SPECIAL REVENUE	3.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS
BUDGET ACTIVITY : PROGRAM & MGMT SUPPORT

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
TOTAL POSITIONS	15.0	17.0	17.0	0.0	17.0	18.0	17.0	0.0	17.0	18.0

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: AGRICULTURAL INFORMATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 75	-0-	\$ 80	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests the above funds to conduct surveys of specialty crops. The objective is to meet the need for current information on these enterprises.

DESCRIPTION/BACKGROUND:

Economic development in rural Minnesota has been enhanced by encouraging farmers and others living in rural areas to grow "non-traditional" crops such as vegetables, berries, Christmas trees, etc. Currently, there is no accurate information on the size of these crops and where this development is occurring across the state. This lack of hard data hinders further development and makes it harder to evaluate market potential.

Funding would provide the ability to evaluate the need for acreage data on vegetables and other alternative crops and to begin an estimation program for 3 to 4 crops. This would include periodic surveys to determine acreage, yield, price, and production data. This request would also fund printing for an annual publication of Minnesota agricultural statistics.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Vegetable Crop Estimates	0	0	3	4
Telephone/Mail Data Requests	3,100	3,200	3,250	3,400
Annual Agriculture Publication	4,000	4,000	4,000	4,000

RATIONALE:

Farmers interested in producing alternative crops have no information on supply/demand and cannot make sound decisions on whether to raise these crops, their marketability, price movements, etc. In the absence of hard data, many buyers and sellers are less likely to invest. Current unbiased data are urgently needed.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 80	\$ 80	\$ 160

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PROGRAM AND MANAGEMENT SUPPORT
 PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
 AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: LOW INPUT/SUSTAINABLE AGRICULTURE

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 87	1.0	\$ 86	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends these funds and positions to continue and broaden the Low Input/Sustainable Agriculture effort initiated with federal "oil overcharge" funds (Exxon). This is a component of the "Comprehensive Water Resources Protection Act of 1989." The objectives are to:

1. Assist the state policy and program development regarding sustainable agriculture;
2. Support a Task Force that will look at the current and future economic and environmental sustainability of Minnesota agriculture and report to the legislature;
3. Coordinate state programs (demonstration grants, loans, etc.) so as to avoid duplication of efforts and pool resources while assuring the involvement of producers, agency personnel and technical specialists;
4. Assist state, federal, private and other environmental agencies by providing information on how sustainable agricultural practices can contribute to solving environment problems; and
5. Conduct on-farm energy audits and provide information on best management practices to producers. The granting of this request will enable the department to carry out state-level policy and program development and coordination regarding sustainable agriculture.

DESCRIPTION/BACKGROUND:

The department began the Low Input/Sustainable Agriculture effort in F.Y. 1988 with federal funds. The department hoped to meet the twin objectives of lowering production costs by assisting producers with best management practices related to agricultural energy use; and protect the environment through more efficient use of agricultural chemicals and other sustainable farming practices. There was and continues to be growing evidence that some contamination from chemicals has occurred in surface and ground water

supplies. At the same time, energy or energy-related costs are a major portion of variable production expenses for grain production. The averages for 1978, 1982 and 1986 were: 1) wheat - 73%; 2) corn - 76%; 3) soybeans-66%. Of total production costs, the proportion that was energy or energy-related was 32% for wheat; 40% for corn; and 25% for soybeans.

The department has developed an energy audit procedure to evaluate on-farm energy use, and set up on-farm demonstrations of agricultural practices that were energy conserving and reduced production inputs. Energy is defined to include both direct (fuel, electricity, etc.) and indirect (fertilizers, pesticides) energy uses. County agents and technical specialists were involved in the demonstrations. During F.Y. 1988 and 1989, department staff conducted 9 on-farm demonstrations using oil-overcharge funds. The audit procedure, developed during the same time, will be used on up to 200 farms by the end of F.Y. 1990.

The legislature enacted a sustainable demonstration grant program and a loan program during 1988 session. However, resources were not provided to enable the department to carry out a coordinative and policy function within state government.

RATIONALE:

Interest in and support for low-input sustainable agriculture has spread very rapidly among producers, environmentalists, researchers and agency administrators as its potential contribution has been recognized in terms of farm profitability, environmental quality and dependency upon non-renewable resources. Programs have and are being enacted at both the state and federal levels and by other states and organizations. The need exists to establish a leadership role within state government to assure the utilization of sustainable agriculture in planning and delivering programs, avoid duplication of efforts and maximize the use of state resources. To accomplish this, the department needs additional resources to continue current efforts, as well as broaden the scope of present activities.

<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 0	\$ 0	\$ 0	\$ 0
Dedicated - Federal	150	220	130	0

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 86	\$ 86	\$ 172

ACTIVITY: LABORATORY SERVICES
Program: ADMINISTRATIVE SUPPORT AND GRANTS
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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/BACKGROUND:

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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total Samples Analyzed	29,148	30,000	31,000	32,000
Total Microbiological Tests	75,759	80,000	80,000	80,000
Total Chemical Tests	31,468	35,000	36,000	37,000
Pesticide Residue Samples Analyzed	850	1,000	1,100	1,200
Environmental Pesticide Residue Samples Analyzed	667	800	900	1,000
Number of Grade A Milk and/or Water Laboratories Evaluated & Certified	13	13	13	13
Number of Quality Assurance Programs	18	18	18	18
Number of Fertilizer Samples Analyzed	810	850	900	950
Number of Feed Samples Analyzed	842	900	1,000	1,000
Number of Dairy Product Samples Analyzed	2,212	2,300	2,300	2,300

REVENUE:

This activity generates dedicated and non-dedicated revenue.

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u> <u>F.Y. 1988</u>	<u>Estimate</u> <u>F.Y. 1989</u>	<u>Estimate</u> <u>F.Y. 1990</u>	<u>Estimate</u> <u>F.Y. 1991</u>
<u>Type of Revenue:</u>				
Non-dedicated	\$ 0	\$ 0	\$ 0	\$ 0
Dedicated - Special	9	5	5	5
Dedicated - Federal	71	68	68	68
Total Revenue	\$ 80	\$ 73	\$ 73	\$ 73

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS
BUDGET ACTIVITY : LABORATORY SERVICES

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	778	795	835	0	835	835	835	0	835	835
EXPENSES/CONTRACTUAL SRVCS	287	275	275	0	275	275	275	0	275	275
MISC OPERATING EXPENSES	15	16	16	0	16	16	16	0	16	16
SUPPLIES/MATERIALS/PARTS	72	87	67	0	67	67	67	0	67	67
CAPITAL EQUIPMENT	84	53	43	100	143	113	43	100	143	78
REDISTRIBUTIONS	1	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	1,237	1,227	1,237	100	1,337	1,307	1,237	100	1,337	1,272
CHANGE REQUESTS:										
B LABORATORY EQUIPMENT				100		70		100		35
TOTAL CHANGE REQUESTS				100		70		100		35
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,114	1,126	1,166	100	1,266	1,236	1,166	100	1,266	1,201
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	5	5	0	5	5	5	0	5	5
FEDERAL	123	66	66	0	66	66	66	0	66	66
GIFTS AND DEPOSITS	0	30	0	0	0	0	0	0	0	0
TOTAL FINANCING	1,237	1,227	1,237	100	1,337	1,307	1,237	100	1,337	1,272
POSITIONS BY FUND:										
GENERAL	22.0	22.0	22.0	0.0	22.0	22.0	22.0	0.0	22.0	22.0
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	23.0	23.0	23.0	0.0	23.0	23.0	23.0	0.0	23.0	23.0

CHANGE REQUEST _____ Agency _____ Program X Activity **1990-91 Biennial Budget**

ACTIVITY: LABORATORY SERVICES
PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: LABORATORY EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	-0-	\$ 100	-0-
Governor's Recommendation				
General Fund	\$ 70	-0-	\$ 35	-0-

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to correct a deficiency in funding for equipment that is seriously impeding the ability to service the analytical needs of the department. The objective is to provide necessary refurbishing of current equipment and purchase new equipment that is capable of providing analysis for the everchanging regulatory requirements that must be adapted to rapidly improving analytical technologies.

DESCRIPTION/BACKGROUND:

Many pieces of current analytical equipment have exceeded their normal life expectancy and are in need of refurbishing or replacement where technology has changed and new requirements must be met. Changes in Federal Standards reducing detection levels from parts per million to parts per billion have made some equipment obsolete. Most of the laboratory's analytical equipment averages 8 years of age or older. There have been many changes and advances in food, feed, water and dairy analysis over the past 8 years. The division is forced by these changes to adapt analytical capabilities to provide for this testing and unfortunately there is a high cost associated with much of the current state-of-the-art equipment. Expansion of the service needs of regulatory divisions will require that the laboratory be able to process a higher number of samples as well as new types of tests. For these reasons, this change request is essential in providing for necessary additions to the normal operating budget. Without these changes, the laboratory will be forced to offer less of an analytical service than is currently requested by the enforcement and regulatory divisions.

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Total Samples Analyzed	29,148	33,000	36,000	39,000
Total Microbiological Tests	75,759	80,000	80,000	80,000
Total Chemical Tests	31,468	35,000	36,000	37,000
Pesticide Residue Samples Analyzed	850	1,600	2,600	3,300
Environmental Pesticide Residue Samples Analyzed	667	1,300	1,500	1,900
Number of Grade A Milk and/or Water Laboratories Evaluated & Certified	13	13	13	13
Number of Quality Assurance Programs	18	22	26	30
Number of Fertilizer Samples Analyzed	810	900	1,000	1,200
Number of Feed Samples Analyzed	842	1,200	1,400	1,600
Number of Dairy Product Samples Analyzed	2,212	3,300	4,800	5,300

RATIONALE:

Increasing concern over environmental issues has created an impetus to provide stricter environmental legislation and greater analysis of current conditions. Environmental issues demand a greater emphasis be made on controlling ground water contamination and chemical residues that are affecting our soil and food chain. Evaluation and regulation in this control process will require a greater sophistication of tests and higher numbers of analyses being performed.

The 1989 Minnesota legislature is expected to pass major water quality legislation that will require regulatory divisions to increase the number of analyses to conform to service requirements.

Currently the Laboratory Services activity has built up a specialized expertise in residue analysis and has demonstrated a leadership role among state agencies respective to this testing. This is evidenced by the work that has been directed to our laboratory at the request of the MPCA and health agencies. Without investments in future equipment needs, this expertise will be lost to obsolescence of analytical capabilities.

(Dollars in Thousands)

<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 33	\$ 22	\$ 22	\$ 22
Federal Fund Expenditures	\$ 50	\$ 21	\$ 21	\$ 21

(Dollars in Thousands)

<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 100	\$ 100	\$ 200

GOVERNOR'S RECOMMENDATION:

The Governor recommends funding, as modified, for this request.

ACTIVITY: COMMISSIONER'S OFFICE
Program: ADMINISTRATIVE SUPPORT AND GRANTS
Agency: AGRICULTURE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

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/BACKGROUND:

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 8 councils (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 Minnesota Agriculture In The Classroom education program is an example of the department's commitment to actively promoting and supporting the needs and concerns of Minnesota agriculture at all levels of society. The program has become an effective public/private partnership, with the commissioner's office providing administrative support and the private sector funding school programs. A vast network of agriculture and education-based organizations is in place to support key program initiatives. The Agriculture In The Classroom mission is to be a resource to K-12 students, educators and resource specialists and the general public in helping to better understand the many facets of agriculture and the role and impact it has on Minnesota's economy and society.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Council Elections/Referendums Conducted	11	12	9	9
Refund Applications Processed	8,000	10,000	8,000	10,000
Producer Refunds Processed Within Four Days of Receipt	95%	95%	95%	95%
Private Sector Dollars Raised	\$ 54,838	\$ 68,500	\$ 78,778	\$ 90,000
Number of Private Sector Funders Documented	32	50	65	75

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991
(Continued)

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>MINNESOTA AGRICULTURE MAGAZINE</u>	450	550	600	650
<u>Minnesota Guide to Educational Resources About Agriculture</u> ¹				

¹ Sent free to all public and K-12 school libraries in May of 1988 (estimates).

REVENUE:

This activity generates dedicated revenue.

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
<u>Type of Revenue:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated - Special	\$ 85	\$ 188	\$ 188	\$ 188
Total Revenue	\$ 85	\$ 188	\$ 188	\$ 188

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS
BUDGET ACTIVITY : COMMISSIONERS OFFICE

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	604	583	577	40	617	617	577	40	617	617
EXPENSES/CONTRACTUAL SRVCS	151	160	113	55	168	118	113	55	168	118
MISC OPERATING EXPENSES	139	134	129	1	130	130	129	1	130	130
SUPPLIES/MATERIALS/PARTS	29	96	10	2	12	12	10	2	12	12
CAPITAL EQUIPMENT	81	0	0	12	12	12	0	12	12	12
REDISTRIBUTIONS	<162>	<161>	<161>	0	<161>	<161>	<161>	0	<161>	<161>
STATE OPERATIONS	842	812	668	110	778	728	668	110	778	728
LOCAL ASSISTANCE	141	103	103	0	103	103	103	0	103	103
TOTAL EXPENDITURES	983	915	771	110	881	831	771	110	881	831
CHANGE REQUESTS:	FUND									
A DEPARTMENT NETWORK DISTRIBUTION					60	60		60		60
B INSPECTION FEES FOR PUBLIC LAW 480 FOR PEACE					50	0		50		0
TOTAL CHANGE REQUESTS					110	60		110		60
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	891	701	586	110	696	646	586	110	696	646
SPECIAL REVENUE	74	185	185	0	185	185	185	0	185	185
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	8	0	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS	10	29	0	0	0	0	0	0	0	0
TOTAL FINANCING	983	915	771	110	881	831	771	110	881	831
POSITIONS BY FUND:										
GENERAL	11.5	11.5	11.5	1.0	12.5	12.5	11.5	1.0	12.5	12.5

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : AGRICULTURE
PROGRAM : ADMIN-SUPPORT & GRANTS
BUDGET ACTIVITY : COMMISSIONERS OFFICE

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SPECIAL REVENUE	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TOTAL POSITIONS	14.5	14.5	14.5	1.0	15.5	15.5	14.5	1.0	15.5	15.5

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: COMMISSIONER'S OFFICE
PROGRAM: ADMINISTRATIVE SUPPORT AND GRANTS
AGENCY: AGRICULTURE, DEPARTMENT OF

REQUEST TITLE: INSPECTION FEES FOR PUBLIC LAW 480: FOOD FOR PEACE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	-0-	\$ 50	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The department requests these funds to provide for the costs of the fees charged by the Grain Inspection Division for inspection and grading of grain for the Food For Peace Program. This would place the Seaway Port Authority of Duluth in a competitive position to retain and expand its bagging operation for this program. This will enable the port to be in a competitive position with other ports so it may receive continued contracts under the Food For Peace Program.

DESCRIPTION/BACKGROUND:

The Seaway Port Authority of Duluth has invested in a highly effective automatic palletizer to reduce labor costs, fine-tuned the cartage operation between the plant and the transit sheds, and have implemented other administrative efficiencies in handling bagged commodities. Since January 1988 to 10-1-88, the Port Authority and General Mills, through their unique partnership, have bagged 622,391 hundredweights of corn and spring wheat. State inspection costs for this grain are at such a level, when considered in the total cost which must be bid for Food For Peace contracts, that Minnesota loses the bid to other ports. During this same period, state inspection costs exceeded \$35,000.

RATIONALE:

Funding is requested in the amount of \$50,000 each year to offset the state inspection costs which would cover 40,000 metric tons of cargo. This would represent an increase of about 30% in the bagged tonnage for the Port of Duluth, and also retain the current level of shipments under this program.

The direct beneficiaries of the bagging plant project are the warehousemen, truckers and bagging plant employees who handle these cargoes, and the long-shoremen, pilots, tugmen, linehandlers and others who are involved in ship loading, as well as the agency grain inspectors. This will also reach into the agricultural sector through the shipment of grain grown by farmers in our area. The economic impact to the area for exporting 1 ton of bagging plant cargo has been determined to be \$67.87. Funding of this request would place Minnesota at a competitive advantage with other ports and increase our exports of grain under the Food For Peace Program.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 50	\$ 50	\$ 100

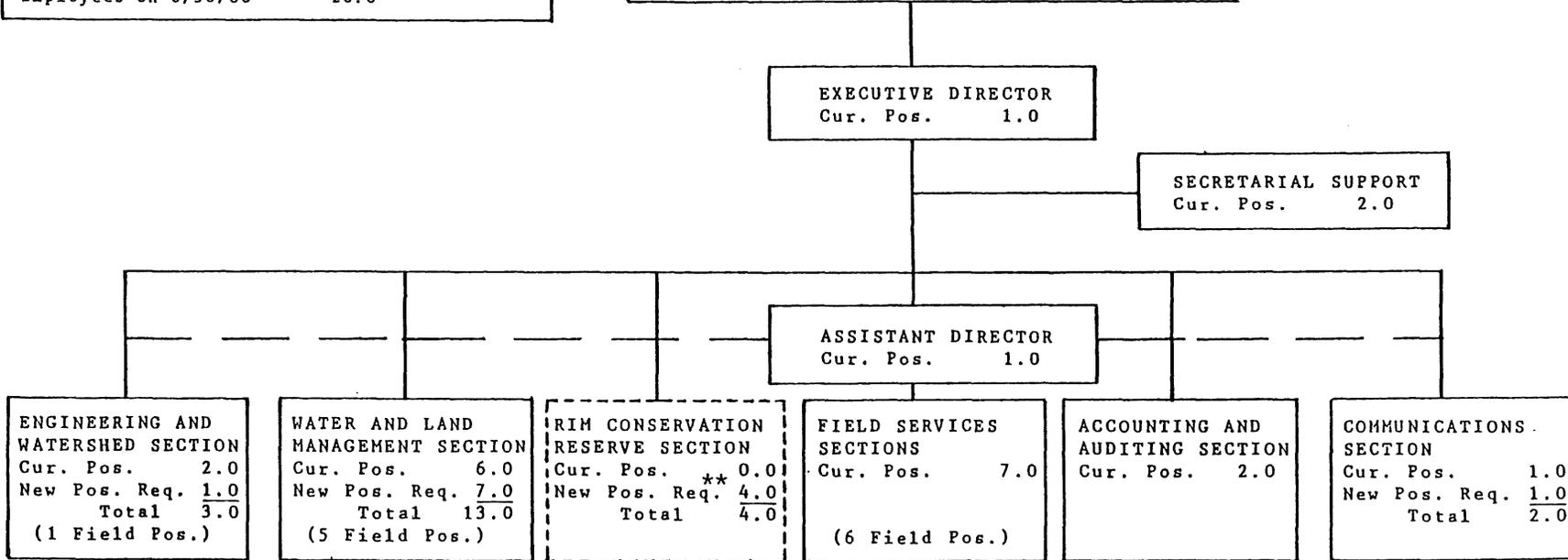
GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

**BOARD OF WATER AND SOIL RESOURCES
ORGANIZATION CHART 10-1-88**

POSITION RECONCILIATION		
Authority:	Current	Requested
Legislative Complement:	<u>FY 1989</u>	<u>6/30/91</u>
General Fund	22.0	35.0
Total Permanent Positions	22.0	35.0
Seasonal/Part-Time	2.0	2.0
Total Positions	24.0	37.0
Employees on 6/30/88	20.0	

<p>BOARD OF WATER AND SOIL RESOURCES</p> <p>Voting Members: Three County Commissioners, Three Soil and Water Conservation District Supervisors*, Three Watershed District/Organization Representatives, Three Citizen Members</p> <p>Nonvoting Members: Agriculture, Health, Natural Resources, Pollution Control Agency</p>



*The initial BWSR includes four additional soil and water conservation district supervisor members whose terms extend through December 31, 1989.

92 SWCDs 87 Counties 77 Watershed District/
Organizations

**This represents a transfer of four existing positions from the Department of Agriculture to the Board of Water and Soil Resources.

AGENCY PURPOSE:

The Minnesota Board of Water and Soil Resources (MBWSR) considers water and soil to be our most precious natural resources. It is the MBWSR mission to provide leadership in managing policies and programs that encourage all citizens to be stewards of our irreplaceable land and water.

The board was created by the 1987 legislature to carry out and coordinate the functions previously assigned to the Soil and Water Conservation Board, Southern Minnesota Rivers Basin Advisory Council, and Water Resources Board. It carries out its mission by approving local plans, providing direct staff assistance and state grants to local government.

The board is composed of 16 permanent members: 12 voting members made up of 3 county commissioners, 3 soil and water conservation district supervisors, 3 watershed district or watershed management organization representatives, and 3 citizens; and 4 nonvoting members representing the Departments of Agriculture, Health, Natural Resources, and the Pollution Control Agency. In addition, through 12-31-89, the board will have 4 temporary members who are soil and water conservation district supervisors. All members, except the agency representatives, are appointed by the governor. The chairman is appointed by the governor from among the voting members.

The board carries out policy-setting and decision-making responsibilities under the Soil and Water Conservation Law, Comprehensive Local Water Management Act, Minnesota Watershed Act, and Metropolitan Surface Water Management Act. It provides a forum for discussion of local water and soil resources management issues and resolution of statutory water policy conflicts. The law establishes a committee of the board composed of the 3 citizen members and 2 additional members appointed by the chair to carry out the board's quasi-judicial functions, whereby the board can be petitioned to intervene in conflicts over interpretation of state water policy by the governor, a state or federal agency, or any affected party. District court judges can refer proceedings involving water policy questions to the board. If the board determines that the petition presents an important water policy question, it consents to intervene and conducts a public hearing. Based on the evidence presented at the hearing, the board is charged with determining controlling state policy and making recommendations to the affected agencies or to the court.

OPERATIONS AND CLIENTELE:

To accomplish its mission, the MBWSR employs staff operating out of its St. Paul headquarters and 6 regional offices. Direct staff assistance and grants to local units of government directed by board policies comprise the main thrust of the MBWSR effort. Staff provides assistance to local governments in planning, facilitates communication between units of government, assists in project development, develops information and education approaches, assists in internal management, audits grant programs to ensure effective and proper use of public funds and services related requests for assistance.

The MBWSR is largely dependent upon the work of autonomous, independent units of government to accomplish its mission. These include 91 soil and water conservation districts (455 elected officials and 260 staff), 41 watershed districts (210 appointed managers and their staffs), 36 joint powers water-

shed management organizations and the 87 counties of the state. The MBWSR obtains cooperation from local governments without the use of line authority. This necessitates providing services and grant funds which are responsive to local government needs. The MBWSR reviews and approves 91 annual and 258 comprehensive water and soil resource plans of its local governmental units.

The MBWSR financial and technical assistance efforts comprise a significant amount of the resources which local governments use to implement programs which protect water and soil resources. These programs are designed to properly manage the water and soil resources on 23 million acres of agricultural land, 16.5 million acres of forest land, and the large area of land undergoing urban development. MBWSR inputs result in development and implementation of resource management plans by individuals or local units of government. The results are reduction of soil erosion, prevention of nonpoint source pollution, reduction of flooding and the overall protection of the water and land for use by future generations. The MBWSR provides the vital link for state government to be responsive to the water and soil resource treatment needs of farmers, local communities, local governments, and land development interests.

BUDGET ISSUES:

The major budget issue is the increasing focus on local governments to plan and implement water and soil resource protection programs. To be successful, local governments, including soil and water conservation districts, watershed districts and counties require technical and financial assistance from state government. The MBWSR is a vehicle for providing state assistance to local governments.

Comprehensive local water planning will remain a major issue for years to come. The legislature has authorized 46 water management organizations in the 7-county metropolitan area and the 80 counties in greater Minnesota to cooperatively prepare local based plans for future water and related land resource decision-making. Further, by 1991, local governments must have an approved water plan to participate in programs such as the MPCA Clean Water Partnership and the DNR Flood Hazard Reduction Program. The EQB has established policy recommendations that require the completion of a local water plan before any local governments can participate in any new water related state programs including those in the area of groundwater protection. By providing appropriate technical and financial assistance to local governments, the MBWSR can assure timely completion of local plans and orderly implementation. The result will be an efficient state and local partnership for environmental protection.

Because of its key role of serving local governments, the MBWSR is an important agency in the emerging comprehensive groundwater protection strategy. By coordinating with the MPCA, DNR, MDH, MDA, MGS and others, the MBWSR will assure the maximum involvement of local governments in groundwater protection. The most critical areas for local government involvement include: the completion of groundwater components of local water plans, implementation of a cost share program to seal the highest priority improperly abandoned wells, providing information to farmers about agricultural chemical use, conducting educational efforts and embellishing existing programs such as the Reinvest In Minnesota-Reserve Program to make them more responsive to groundwater protection needs. A cornerstone of the MBWSR's component of the strategy is a major new grant program, the Local Water Resource Protection and Management Program. This grant would provide matching funds for technical assistance

costs of local government involvement in water resource protection programs.

The historical state financial support must be maintained and enhanced for soil and water conservation districts if the goals established by the 1985 federal Food Security Act (FSA) are to be achieved. The conservation provisions of the FSA require that all participants in federal farm programs have a soil and water conservation plan for all highly erodible lands by 1990 and have that plan implemented by 1995. Failure to comply with these stringent conservation provisions will result in the termination of all federal farm program benefits. Currently, about 85% of Minnesota's 92,000 farm operations participate in federal farm programs. These 78,200 farm operations depend on federal program supports for their financial well-being. In 1987, federal farm program payments exceeded \$400 million. A little known fact is that 40% of the workload to provide planning assistance to Minnesota's farmers is being provided by staff of the soil and water conservation districts. These staff receive one-third of their financial support from county government and one-third from state grants. After resource management plans are completed, the MBWSR's erosion and sediment control cost share program is instrumental in sharing the financial burden of constructing needed conservation practices. Achieving the goals of the 1985 Food Security Act will assist in protecting and improving the state's waters and soils, but the goals cannot be met without increasing financial support to soil and water conservation districts. Failure to meet planning and implementation deadlines for the 1985 FSA could seriously jeopardize federal farm payments to Minnesota farmers and thus, the economic well-being of rural Minnesota.

Continuation of the Reinvest in Minnesota (RIM) program is necessary if Minnesota is to enhance its habitat base and protect its waters so it can support a strong hunting, fishing, and outdoor recreation industry. The RIM Reserve Program, the portion of RIM administered by the MBWSR, has gained national recognition as a premier marginal land retirement program. By retiring erodible marginal land from crop production, restoring previously drained wetlands and establishing living snowfences, the RIM Reserve Program assures long term protection of natural resources by providing a fair payment to landowners in return for a conservation easement. Since its creation in 1986, however, the RIM program has been funded primarily through the sale of state general obligation bonds. A more permanent and flexible source of funding is necessary if RIM is to remain successful. Also needing to be addressed is the consolidation of the RIM Reserve Program budget and authority within the MBWSR. The RIM Reserve Program was originally administered by the former Soil and Water Conservation Board (SWCB) when it was a division of the Department of Agriculture (MDA). The SWCB was the administrative agency for the 91 soil and water conservation districts who implemented the program locally. Therefore, the budget and authority for the program resided with the Commissioner of Agriculture. In 1987, the MBWSR was created as an independent agency assuming all the SWCB responsibilities. Now that the MBWSR is fully functional, it is necessary to streamline the administration of the RIM Reserve Program by transferring the budget and authority for the program from MDA to the MBWSR. This transfer is supported by the MBWSR and the Commissioner of Agriculture. The RIM requests will be considered in a separate legislative package.

As the MBWSR develops policy and establishes its administrative framework, it becomes apparent that citizen board members cannot maintain their commitment

under the current per diem limits. Additional administrative funds are necessary if the MBWSR is to properly discharge its mandated responsibilities.

Attorney General Costs:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Actual/Est. F.Y. 1989	Agency Request F.Y. 1990	F.Y. 1991
Fees for Legal Services Rendered				
Fees Assessed	\$ 7	\$ 7	\$ -0-	\$ -0-
Fees Paid	3	3	-0-	-0-
Requested Budget	3	3	3	3

EXPLANATION OF BUDGET REQUEST:

The majority of the MBWSR budget consists of grants to soil and water conservation districts. A description of those grants and BASE level funding follows.

1. Floodplain Management Grants

Statutory Reference: M.S. 104.42-104.50

PURPOSE:

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. Governmental 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 MBWSR 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 local share. Funds are currently available until spent.

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Flood Control Structures Installed	0	1	1	2

Grants By Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 199	\$ 199	\$ 199	\$ 199
TOTAL	\$ 199	\$ 199	\$ 199	\$ 199

2. Sediment and Erosion Control Grants: Streambank, Lakeshore and Roadside

Statutory Reference: M.S. 40.03, subd. 4(2)

PURPOSE:

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 to participate. 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. 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. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Local Units of Government Assisted	6	7	7	7
Projects Completed	6	7	7	7

Grants By Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 159	\$ 159	\$ 159	\$ 159
TOTAL	\$ 159	\$ 159	\$ 159	\$ 159

3. District Grants for Local Water Resource Information

Statutory Reference: M.S. 105.416, subd. 3(1), 105.44 and 40.03, subd. 4(2)

PURPOSE:

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 MBWSR allocates funds in the following manner:

1. DNR provides the MBWSR 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. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Water Appropriation Permit Applications Reviewed by SWCDs	300	300	300	300
Work in "beds" of Protected Waters Permits Reviewed by SWCDs	1,400	1,500	1,500	1,500
Rain Gauges Monitored (000's)	550	550	550	550

Grants By Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 12	\$ 12	\$ 12	\$ 12
TOTAL	\$ 12	\$ 12	\$ 12	\$ 12

4. Technical Assistance, Education and Demonstration Grants:

Statutory Reference: M.S. 40.03, Subd. 4(2)

PURPOSE:

To provide funds to SWCDs for technical assistance to landowners, development of education and information programs, and demonstration projects on the benefits of soil conservation.

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 MBWSR. All SWCDs receive the same allocation to maintain baseline activities.

Grants By Fund:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General	\$ 152	\$ 152	\$ 152	\$ 152
TOTAL	\$ 152	\$ 152	\$ 152	\$ 152

5. Cost-Share Program Grants: Erosion Control/Water Quality

Statutory Reference: M.S. 40.036, 40.038, and 40.07

PURPOSE:

To significantly increase the number of acres protected with conservation measures 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 necessary to plan, design, and apply land 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 MBWSR review of SWCD requests for financial assistance:

1. Before the MBWSR can allocate funds to a SWCD, it must approve the SWCD's comprehensive and annual plans, and receive an annual report.
2. The MBWSR 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; and
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 MBWSR allocates more funds to SWCDs exhibiting the greatest soil erosion and agriculturally related water quality problems. This information is obtained from soil erosion and natural resource assessments from a number of agencies.

The maximum percent 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. Funds are currently available until spent.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Individuals and Groups Installing Practices	450	430	410	390
Erosion Control Structures (Number)	250	230	210	190
Field Windbreaks (Feet)	450,000	430,000	410,000	390,000

	<u>(Dollars in Thousands)</u>			
<u>Grants By Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 1,501	\$ 1,501	\$ 1,501	\$ 1,501
TOTAL	\$ 1,501	\$ 1,501	\$ 1,501	\$ 1,501

6. General Purpose Grants to Soil and Water Conservation Districts

Statutory Reference: M.S. 40.03, subd. 4(2)

PURPOSE:

To provide funds to SWCDs for the following: 1) Statewide administrative and technical support for SWCDs and their elected supervisors; 2) operation and maintenance of local SWCD offices; 3) training concerning erosion control, water quality, 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 MBWSR.

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.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
SWCD Offices	91	91	91	91
SWCD Supervisors	455	455	455	455
SWCD Employees	245	250	250	250

	<u>(Dollars in Thousands)</u>			
<u>Grants By Fund:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General	\$ 814	\$ 814	\$ 814	\$ 814
TOTAL	\$ 814	\$ 814	\$ 814	\$ 814

The creation of the MBWSR created a coordinated system for state and local government cooperation in natural resource management. Correspondingly, local governments have been requesting increased financial and technical assistance through the MBWSR. The budget request reflects, through CHANGE requests,

local government expectations of the MBWSR to service the growing needs of local governments.

The CHANGE requests are made up of \$1,534,000 in F.Y. 1990 and \$1,534,000 in F.Y. 1991 for increases to existing grant programs provided to soil and water conservation districts. As its part of the comprehensive groundwater protection strategy recommended by the EQB, the budget contains CHANGE requests for grants to local governments of \$829,000 in F.Y. 1990 and \$2,844,000 in F.Y. 1991. All of these grant programs requests are 100% pass through funds to local government to implement water and soil resource protection programs. To support the proposed increase in grant program activity and to provide technical services to local governments, the MBWSR requests administrative CHANGE requests totaling \$434,000 in F.Y. 1990 and \$552,000 in F.Y. 1991.

The CHANGE requests can be categorized as follows: First the completion of comprehensive local water plans statewide will require \$485,000 in grants to counties. Correspondingly, the MBWSR requires \$200,000 to provide needed technical assistance. Secondly, the MBWSR share of the comprehensive groundwater protection strategy requires the establishment of 5 new grant programs to local governments totaling \$3,673,000 including the \$485,000 previously mentioned. The creation of the Local Water Resources Protection and Management Program is the cornerstone of these grant efforts. Accordingly, \$548,000 is required for the MBWSR to properly administer these new grant programs and assist local governments. Third, the enhancement of existing state financial support to soil and water conservation districts will require \$3,068,000. Fourth, transfer of the budget for the RIM Reserve Program will entail a shift of \$1,800,000 from the MDA BASE budget to the MBWSR. Additionally, to shift funding for this program from the bond account to the general fund will require \$300,000 for program administration, \$400,000 for grants to soil and water conservation districts and \$12,500,000 for easements and needed conservation practices. (The RIM budget will be addressed in separate legislation). Finally, the MBWSR requires administrative funds of \$238,000 to carry out its education mandate, fund board member participation, provide clerical assistance for field staff and fund increased office space rental costs. The budget also reflects the combination of the BASE appropriation for comprehensive local water planning which resulted from 1988 session laws, Chapter 684, into the overall administrative budget.

The large number of CHANGE level requests reflect the MBWSR's growing role of providing grant funds and technical assistance to local governments. This trend will continue as the responsibilities of local government for resource protection increase.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ 8,068	\$ 8,068	
Budget - Activity CHANGE Requests			
MBWSR Administration	238	24	9
Floodplain Management Grants	102	-0-	10
Cost Share Program Grants:			
Erosion Control/Water Quality	998	-0-	11
General Purpose Grants to Districts	910	328	12
Technical Assistance, Education and			
Demonstration Grants	200	(304)	13
Sediment and Erosion Control Grants:			
Streambank, Lakeshore and Roadside	682	-0-	14
District Grants for Local Water			
Resource Information	176	(24)	15
Comprehensive Local Water Management	200	100	16
Local Water Resources Protection	2,695	3,429	17
Groundwater Protection Strategy/ Water Quality Demonstration Farms	502	-0-	18
Local Agricultural Chemical User Information Service	212	-0-	19
Groundwater Protection Strategy/ Water Quality Monitoring	182	-0-	20
Abandoned Well Sealing Cost			
Share Program	630	630	21
Well Replacement	-0-	150	22
RIM Program	-0-	1,804	23
RIM and the Minnesota ENR Trust			
Fund Acceleration Expenditures	-0-	300	24
Subtotal	\$ 7,727	\$ 6,437	
CHANGE Requests Subtotal	\$ 7,727	\$ 6,437	
AGENCY Total	\$ 15,795	\$ 14,505	

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$4,159,000 of additional funding and 3.0 positions to the agency for components of the "Comprehensive Water Resources Protection Act of 1989." The Governor also recommends transfer of the RIM Reserve program from the Department of Agriculture to the agency and increased support for that program.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: MINNESOTA BOARD OF WATER AND SOIL RESOURCES ADMINISTRATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 117	1.0	\$ 121	1.0
Governor's Recommendation				
General Fund	\$ 12	-0-	\$ 12	-0-

Request requires statutory change: X Yes _____ No
 Statutes Affected: 110B.35 Subd. 2(d) regarding MBWSR member compensation

STATEMENT OF REQUEST/OBJECTIVE:

This request is for 4 areas of the board's operation:

- 1) Information and Education Specialist to carry out specific MBWSR statutory responsibility under M.S. Ch. 110B.35, Subd. 7(d).
- 2) Provide increased clerical support to 6 regional field staff to maintain adequate communications and responsiveness to local governments.
- 3) Increase compensation to MBWSR members commensurate with their contributions of time and expertise. This proposal would increase the per diem for board members to \$75 per day and provide for greater board member participation in water and soil activities.

The objective of this request is to allow the MBWSR to carry out its various authorities by using the appropriate combination of strategies including education, coordination and providing a forum for local government and state agency interaction.

- 4) Provide for the additional fixed costs of higher MBWSR office space rental rates.

DESCRIPTION/BACKGROUND:

Education Specialist

Most of the natural resource challenges faced by the MBWSR could be easily resolved if all Minnesota citizens were properly informed and had a sound conservation ethic. To this end, the MBWSR enabling legislation states that: "It shall develop information and education programs designed to increase awareness of local water and soil resources problems and awareness of oppor-

tunities for local government involvement in preventing or solving them."

This position would enable the MBWSR to work effectively with other agencies and educational institutions to prevent or solve water and soil resource problems. The cost of this position and support budget is \$50,000 in F.Y. 1990 and \$52,000 in F.Y. 1991.

Clerical Support for Field Staff

The need for this request originated in 1982 when the field staff of the SWCB were transferred to the Department of Agriculture. At that time, insufficient funds were provided for clerical support. Since field staff are the main avenue through which MBWSR programs are delivered to local governments, the lack of clerical staff has limited their efforts. The addition of clerical staff is essential for field staff to effectively increase their coordinating role between counties, watershed districts, and soil and water conservation districts. The cost for the added assistance is \$30,000 in F.Y. 1990 and \$32,000 in F.Y. 1991. The base level for this activity was \$8,800 in F.Y. 1988 (nine months) and \$15,200 in F.Y. 1989.

Compensation for MBWSR Members

The current \$35 per diem for board members creates a hardship for individual members who are contributing their expertise to the organization. This amount does not nearly cover the cost of being absent from their occupations. In the long run, a low per diem will prevent the needed experts from sitting as board members and may result in inadequate state policy development. The \$75 per diem also acts as an incentive for greater participation in water and soil activities. The cost is \$25,000 for F.Y. 1990 and \$25,000 for F.Y. 1991. The base level for this activity was \$13,000 in F.Y. 1988 (9 months) and \$16,000 in F.Y. 1989.

Office Space Rental Expense

The MBWSR base level for space rental was \$32,000 in F.Y. 1988. Increases in rental rates raised the actual cost to \$36,000 in F.Y. 1989. Office relocation during F.Y. 1989 will raise the cost to \$44,000 in F.Y. 1990. The MBWSR needs a \$12,000 change level to cover the increased cost of basic office space.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 54	\$ 63	\$ 63	\$ 63

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 121	\$ 121	\$ 242
General Fund Positions	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$24,000 for the biennium to cover increased rental costs.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: FLOODPLAIN MANAGEMENT GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 51	-0-	\$ 51	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds 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. The funds are requested to be available until spent. This would maximize their use throughout the area.

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 1970s 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 3 to 4 years. To complement increased state funding, county governments are committed to raise the necessary local matching funds to accelerate construction and are proposing a number of innovative impoundments installed in conjunction with bridge replacement.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Flood Control Structures Installed	-0-	1	2	3

RATIONALE:

The need for flood control has not abated. Site requirements and construction costs have increased dramatically. Local governments are contributing 25% 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 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.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 199	\$ 199	\$ 199	\$ 199

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 51	\$ 51	\$ 102

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: COST SHARE PROGRAM GRANTS: EROSION CONTROL/WATER QUALITY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 499	-0-	\$ 499	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds to increase the number of acres protected from soil erosion and to accelerate water quality protection efforts. The funds are requested to be available until spent. This would maximize their use across the state.

DESCRIPTION/BACKGROUND:

M.S. Chapter 40.036 provides for a 75% cost-share program with land occupiers to cover the cost of installing permanent non-production soil and water conservation practices. The level of funding for this program has declined since 1980. As a result, the number of individuals receiving financial assistance and the number of protected acres 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 SWCD's administrative costs and technical assistance necessary to plan, design, and apply conservation measures.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Individuals and Groups Installing Practices	450	430	450	470
Erosion Control Structures (Number)	250	230	250	270
Field Windbreaks (Feet)	450,000	430,000	450,000	470,000

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 protected. Also, the cost of designing practices has risen, resulting in no additional hours being devoted to program promotion. However, despite 1.6 million acres of marginal cropland being retired from production through the Conservation Reserve and RIM programs, landowner demand for conservation practices remains active. In addition, the 1985 Federal Food Security Act has created a great need for erosion control practices to protect highly erodible acres and keep landowners in compliance. Also, local implementation of the MPCA Clean Water Partnership Program is enhanced if cost-share funds are available to landowners. Additional program benefits are gained from keeping sediment out of drainage and road ditches, lakes and streams. In summary, controlling soil erosion has multiple benefits such as: maintaining soil productivity, improving water quality and fish and wildlife habitat; and enhancing aesthetics.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1,501	\$ 1,501	\$ 1,501	\$ 1,501

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 499	\$ 499	\$ 998

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: GENERAL PURPOSE GRANTS TO DISTRICTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 455	-0-	\$ 455	-0-

Governor's Recommendation

General Fund \$ 164 -0- \$ 164 -0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds to increase BASE level funding to Soil and Water Conservation Districts (SWCDs). The objective is to maintain the SWCD's ability to provide technical assistance to landowners in controlling soil erosion and protecting water quality, assisting USDA implementation of the Food Security Act and assisting counties in preparing comprehensive local water management plans. This request also includes funds that the MBWSR spends on behalf of SWCDs, including stationery and training materials.

DESCRIPTION/BACKGROUND:

The cost to SWCDs of operation and maintenance of their offices, training of staff and supervisors, and administrative overhead is increasing faster than revenues. In addition, technical assistance requests are increasing due largely to the 1985 Federal Food Security Act and comprehensive local water planning. However, the number of SWCD and USDA, Soil Conservation Service employees remains constant. If effective services are to be maintained, the state must assume a larger financial role in maintaining local offices and ensuring that technical assistance is being provided to landowners.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
SWCD Offices	91	91	91	91
SWCD Supervisors	455	455	455	455
SWCD Employees	245	250	260	260

RATIONALE:

As previously stated, increasing administrative and technical requests have added to SWCD base level operating costs. Since SWCDs do not have taxing authority, they must rely, in large part, on state funding to fund their operations. Moreover, new federal and state initiatives have been imposed on SWCDs without a corresponding increase in funding.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 814	\$ 814	\$ 814	\$ 814

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 455	\$ 455	\$ 910

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the grants for conservation tillage and local water resource information be consolidated within the general purpose grants to provide more flexibility to the board for targeting this assistance. The CHANGE amount recommended reflects the BASE level for the other two grant programs. The Governor also recommends that the board be given explicit authority to reallocate this funding for expenditures on behalf of SWCDs.

CHANGE REQUEST X Agency Program Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

GOVERNOR'S RECOMMENDATION:

The Governor recommends that these grants and the local water resource information grants be consolidated within the general purpose grants to provide more flexibility to the board for targeting this assistance.

REQUEST TITLE: TECHNICAL ASSISTANCE, EDUCATION, AND DEMONSTRATION GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	-0-	\$ 100	-0-
Governor's Recommendation				
General Fund	\$ (152)	-0-	\$ (152)	-0-

Request requires statutory change: Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds to promote conservation tillage techniques that reduce soil erosion and enhance moisture conservation.

DESCRIPTION/BACKGROUND:

As the local soil and water conservation agency, SWCDs are responsible for providing technical assistance, education, and demonstrations so that landowners practice proper land management. The funds will accelerate the promotion of sound land management principles.

RATIONALE:

The drought and increased wind erosion has heightened the need to promote proper land management. Conservation tillage techniques offer promise for erosion control and improvement of soil moisture conservation. These funds would offer an opportunity for an accelerated and focused educational campaign.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 152	\$ 152	\$ 152	\$ 152

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 100	\$ 100	\$ 200

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: SEDIMENT AND EROSION CONTROL GRANTS:
 STREAMBANK, LAKESHORE AND ROADSIDE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 341	-0-	\$ 341	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds 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 project requests exceeding \$500,000 annually. Current appropriations result in the denial of two-thirds of those applications.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Local Units of Government Assisted	6	7	14	14
Projects Completed	6	7	14	14

RATIONALE:

The MPCA non-point source pollution issues team report (1986) recommended increased funding for this program. 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 long term maintenance costs. This

program has potential to be used in the implementation of local water management plans. Comprehensive increased funding would therefore take advantage of local concern and commitment for these projects of broad public benefit.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 159	\$ 159	\$ 159	\$ 159

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 341	\$ 341	\$ 682

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: DISTRICT GRANTS FOR LOCAL WATER RESOURCE INFORMATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 88	-0-	\$ 88	-0-
Governor's Recommendation				
General Fund	\$ (12)	-0-	\$ (12)	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds to increase SWCD participation in gathering water resource information, including the review of water permit applications for DNR. The funds will be used to compensate for district review of DNR issued water permits, rainfall monitoring, stream gaging, and participation in special studies such as drought assessment.

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 many proposed water management activities. Funds for the program were reduced in 1981. Current appropriations provide 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). In addition, SWCDs have demonstrated their ability to react to urgent needs such as rainfall monitoring for drought assessment. Other examples include an expanded rainfall monitoring network, and stream gauging. Participation would be enhanced if additional funding were available.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Water Appropriation Permit Applications Reviewed by SWCDs	300	300	300	300
Work in "beds" of Protected Waters Permits Reviewed	1,400	1,500	1,500	1,500
Rain Gauges Monitored	550	550	600	650

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 streambank. Current funding development of a comprehensive statewide program. Consequently, many opportunities for inciteful comments are lost.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 12	\$ 12	\$ 12	\$ 12

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 88	\$ 88	\$ 176

GOVERNOR'S RECOMMENDATION:

The Governor recommends that these grants and the conservation tillage grants be consolidated within the general purpose grants to provide more flexibility to the board for targeting this assistance.

CHANGE REQUEST

_____ Agency _____ Program X Activity

1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
PROGRAM: BOARD OF WATER AND SOIL RESOURCES
AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: COMPREHENSIVE LOCAL WATER MANAGEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 100	2.0	\$ 100	2.0
Governor's Recommendation				
General Fund	\$ 50	1.0	\$ 50	1.0

Request requires statutory change: _____ Yes X No
Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds and 2.0 positions to provide technical assistance in the development, review, and approval of local water management plans.

DESCRIPTION/BACKGROUND:

As the lead agency in comprehensive water planning, MBWSR has to meet many expectations of local government officials. Technical assistance ranging from planning advice to hydrogeology must be provided by the MBWSR. Data from plans must also be stored so that it can be used by numerous state and local agencies. This request includes a data management specialist, engineer, and support budget.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Metropolitan Water Management				
Water Management Organizations Assisted	46	46	46	46
Plans Approved	5	6	16	16
Implementation Assistance	0	2	14	30
Comprehensive Local Water Management				
Countries Receiving Planning Assistance	0	55	80	80
Plans Approved	0	0	6	49

RATIONALE:

During the 1988-89 biennium, comprehensive water planning has greatly increased the awareness and motivation of local government officials regarding water issues. This request enables the MBWSR to provide adequate service to its clientele and fulfill its mandate to "coordinate the development and review of local water management plans." This request complements two positions funded during the 1988 legislative session. (The request to the 1988 legislature included 5.0 positions). Funding of these positions would enable the MBWSR to meet the goals established in change level statistics. This request also 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 of the comprehensive state water resources strategy set forth in its "1990-1991 Water Resources Priority Recommendations" report.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 43	\$ 172	\$ 175	\$ 175

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 100	\$ 100	\$ 200
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request, as modified, be approved as a component of the "Comprehensive Water Resources Protection Act of 1989."

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: LOCAL WATER RESOURCES PROTECTION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 535	1.0	\$2,160	3.0
Governor's Recommendation				
General Fund	\$1,354	1.0	\$2,075	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

This request is for a new grant program to provide fifty percent state financial assistance to local governments for the cost of technical assistance needed to carry out delegated or voluntary water resource management efforts. It is to be a cornerstone of future state efforts to delegate programs such as enforcement of the well code, county feedlot programs, and shoreland management, to local government. This grant program is a component of the comprehensive groundwater protection strategy and biennial priorities report of the EQB.

DESCRIPTION/BACKGROUND:

Local governments are increasingly relied upon for carrying out water resource protection programs including those which can be delegated to them by state government. This approach makes sense because local government is "close to the customer" and can usually implement programs more efficiently. A historical constraint has been the lack of adequate local technical staff for local governments to take advantage of existing programs, assume delegation of appropriate state programs, and take advantage of new programs such as the Clean Water Partnership. This request addresses the need for local technical staff by providing 50 percent state matching grants for local governments carrying out new water resource protection efforts.

This proposed grant program provides the "missing link" to current water resource protection efforts. Most programs such as the Clean Water Partner-

ship are project or watershed specific. Many local governments are not in a position to take advantage of these programs due to lack of technical staff resources. Through this matching grant program, local governments can increase their technical capabilities, thus easing their burdens to assume greater program responsibilities. Fundable activities may include planning, zoning, official controls, and use of local knowledge, information and technical resources. Water quality management activities and associated technical and administrative assistance expenses would be covered.

Under this program, the MBWSR may award grants of up to fifty percent to:

1. Develop, amend or implement local water plans authorized or required by Minnesota Statutes chapter 110B, 112, or 473.775-.882;
2. Adopt a county Feedlot Permit Program;
3. Adopt shoreland management, wetland protection, soil loss or other water quality protection ordinances;
4. Provide technical assistance through soil and water conservation districts to local units of government and individuals for land and water resources management;
5. Enforce local regulation of onsite sewage treatment systems and provide information concerning their installation, operation and maintenance;
6. Implement other activities related to water quality protection and management; and
7. Manage or protect groundwater including locating and sealing improperly abandoned wells and protection of susceptible groundwater and wellhead areas.

Grants would be made available through a concise application process involving counties and other local units of government, including soil and water conservation districts, watershed districts, cities, townships, and water management organizations.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 2,160	\$ 2,160	\$4,320
General Fund Positions	3	3	3

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request, as modified, be approved as a component of the "Comprehensive Water Resources Protection Act of 1989." This recommendation includes \$744,000 in F.Y. 1990 for the function of shoreland zoning ordinance development. Any funding not used for that function in F.Y. 1990 should be available in F.Y. 1991.

CHANGE REQUEST X Agency _____ Program _____ Activity _____ 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: GROUNDWATER PROTECTION STRATEGY/
 WATER QUALITY DEMONSTRATION FARMS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 250	1.0	\$ 252	1.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds to establish water quality demonstration farms at several locations. The request includes funding for grants to soil and water conservation districts for establishing demonstration farms. The request also includes a soil scientist and support budget to administer the program and solicit support from other agencies and groups.

DESCRIPTION/BACKGROUND:

The MPCA Groundwater Protection Strategy and EQB Pest and Nutrient Management Strategy recommend the establishment of demonstration farms to promote proper crop and soil management. This proposal would fund 3-4 farms. Funds would be used to install best management practices which promote limited and effective use of fertilizer and pesticides. Support from sustainable agriculture groups is anticipated.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Water Quality Demonstration Farms Established	-0-	-0-	3	4

RATIONALE:

Successful promotion of groundwater protection concepts with land managers requires on-site, real world demonstrations. Demonstration farms offer an opportunity to show how fertilize and pesticide use can be limited - and effectively used - in a realistic agricultural enterprise. The farms would be modeled after sites currently operated by the University of Minnesota. To accommodate the increasing popularity of sustainable agriculture, special

effort will be taken to incorporate these ideas into the development and operation of the demonstration farms.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 252	\$ 252	\$ 504
General Fund Positions	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: LOCAL AGRICULTURAL CHEMICAL USER INFORMATION SERVICE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 105	1.0	\$ 107	1.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: _____ Yes <u>X</u> No				
Statutes Affected: _____				

STATEMENT OF REQUEST/OBJECTIVE:

This request would implement through a pilot program, a major recommendation of the "Strategy for the Wise Use of Pesticides and Nutrients" approved by the EQB. It provides for partial costs of computer hardware and software to provide landowners with pesticide and nutrient information and groundwater sensitivity through local SWCD offices. Seven offices, in diverse geographic areas of the state would participate. The objective is to provide farmers and other landowners with ready access to pesticide and nutrient information specific to their land and chemical products.

DESCRIPTION/BACKGROUND:

The "Strategy for the Wise Use of Pesticides and Nutrients" describes the need for this project:

Initiative I

To provide the public, decision-makers, regulators and the regulated community with necessary information, education and incentives.

Goal of the Strategy

To safeguard public health and protect water resources from pesticide and nutrient contamination, while maintaining a strong economy.

Target Group/Issue Specific Education and Information:

Significant responsibility rests with the user of a pesticide or nutrient in determining when, where and how to use a particular product, and how and where to dispose of any waste products and containers. The U.S. Environmental Protection Agency (EPA), in its "Agricultural Chemicals in Ground Water: Proposed Pesticide Strategy", has suggested that as more restrictions on use of pesticides are developed relative to hydrogeologic sensitivity, users will

be relied upon to determine when these restrictions apply. Any assistance that can be provided to users in making such decisions should benefit both the individual and the public. The following efforts should be undertaken in cooperation with the Minnesota Environmental Education Board (MEEB) Water Resources Education Advisory Committee:

1. Develop and expand information systems and programs to assist pesticide and nutrient users. Efforts should be expanded to ensure that accurate and consistent information is available at the local level on recommended application rates and possible environmental impacts. This specifically includes: Encouraging completion and implementation of a system for providing landowners with pesticide and nutrient recommendations through SCS and SWCD offices. SCS is currently developing a procedure with UM that will provide landowners with pesticide and nutrient recommendations at the time they prepare conservation plans.

In addition, the information service will be expanded to an overall information system to provide landowners with information on hydrogeologic sensitivity. This feature will assist landowners in determining if product label restrictions, such as depth to water, apply to their situation, and would aid in selecting best management practices.

The system will also include information on soils, depth to water, depth to bedrock, and presence of sinkhole and wells. It will be based on integrated, automated data bases, and be compatible with existing data management systems. Methods of involving dealers and private organizations in such a system will also be explored. The effort would be cooperative and draw on MPCA sensitivity assessments, UM and Minnesota Geological Survey (MGS) hydrogeologic efforts, SCS information systems, and Agricultural Research Service (ARS) modeling efforts. SPA will be involved in system design to ensure overall compatibility with existing data management systems.

System development will be pursued in priority areas identified through the state nonpoint source pollution control plan and pesticide management plan, and in conjunction with demonstration farms or watersheds.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Number of Information Systems	0	0	7	7
Number of Landowners Assisted	0	0	1,500	2,500

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ 105	\$ 107
General Fund Positions	-0-	-0-	1.0	1.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 107	\$ 107	\$ 214
General Fund Positions	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: GROUNDWATER PROTECTION STRATEGY/WATER QUALITY MONITORING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 91	-0-	\$ 91	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The MBWSR requests these funds to establish a coordinated inter-agency groundwater quality monitoring network. The request would provide grants to soil and water conservation districts for local collection and coordination of groundwater quality data.

DESCRIPTION/BACKGROUND:

The MPCA Groundwater Protection Strategy and EQB Pest and Nutrient Management Strategy recommend the establishment of a coordinated groundwater quality monitoring network. Operating under the guidance of MPCA and MBWSR, SWCDs would facilitate the collection of data from a number of existing data networks plus establish other monitoring stations.

RATIONALE:

The primary source of information for assessing water quality trends is the MPCA ambient program. Geared primarily to surface water, the ambient program must be expanded to more accurately assess groundwater quality trends. Since SWCDs are already involved in well monitoring and rain gauge activities, their increased involvement in gathering additional data could be accommodated efficiently and economically. Moreover, SWCDs are knowledgeable of local resource conditions are credible with landowners.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 91	\$ 91	\$ 182

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BOARD OF WATER AND SOIL RESOURCES
 PROGRAM: BOARD OF WATER AND SOIL RESOURCES
 AGENCY: BOARD OF WATER AND SOIL RESOURCES

REQUEST TITLE: ABANDONED WELL SEALING COST SHARE PROGRAM

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 65	1.0	\$ 565	1.0
Governor's Recommendation				
General Fund	\$ 65	1.0	\$ 565	1.0

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. Ch. 40 and M.S. Ch 156A

STATEMENT OF REQUEST/OBJECTIVE:

This request would establish a pilot cost share program to assist landowners to properly seal improperly abandoned wells. The state would share up to 75% of the cost to seal wells. This would be a cooperative program with the Department of Health. Counties would decide on an implementation mechanism in their comprehensive local water plans. Technical oversight would be provided by the Department of Health (MDH) through possible changes to M.S. Ch. 156A. The Board of Water and Soil Resources (MBWSR) would coordinate with the Department of Health in directing grant funds to high priority areas. The program would require a local water plan to participate. Soil and water conservation districts and community health services would have implementation responsibilities.

The objective is to locate improperly abandoned wells, prioritize those which are presently contaminating or have a high hazard of contaminating groundwater and seal them by using proper technology through certified water well contractors. This request is consistent with the EQB approved groundwater strategy and the September 1988 Report of the Technical Advisory Group on Water Well Management.

DESCRIPTION/BACKGROUND:

There are between 100,000 and 800,000 improperly abandoned wells in Minnesota. These wells pose a threat as a conduit for conveying pollutants directly into groundwater. This proposal would include preparing an inventory of abandoned wells and prioritizing those in greatest need of sealing. Cost share funds would be made available to cover up to 75% of the expense of properly sealing wells. Licensed water well contractors would be contracted to seal the wells.

The Minnesota Department of Health would provide technical oversight of this program in cooperation with the MBWSR who would administer the grant funds. The program would be implemented locally through a cooperative agreement between a county, soil and water conservation district, and community health service.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Pilot Counties	-0-	-0-	5	5
Wells Sealed	-0-	-0-	-0-	6,200

RATIONALE:

Improperly abandoned wells pose a threat to the health and economic well being of all Minnesotans. It is a sound investment to seal abandoned wells, at the same time stepping up enforcement of the well code to ensure that as wells are abandoned, they are properly sealed.

It is essential that the MBWSR and the MDH cooperate on this program. MDH has statutory authority for the well code and a link to county government and community health services. MBWSR has an implementation mechanism through the soil and water conservation districts and the counties. SWCDs are respected as a source of assistance to landowners across the state. Through a cooperative effort these groups can deliver a balanced, responsive approach to dealing with a very real threat to our groundwater supplies.

BASE: None.

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 565	\$ 565	\$ 1,130
General Fund Positions	1.0	1.0	1.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends that this request be approved as a component of the "Comprehensive Water Resources Protection Act of 1989." Up to \$200,000 shall be made available to the commissioner of Health under an interagency agreement for well sealing. The commissioner shall contract with licensed well contractors to seal wells belonging to owners who have not complied with sealing orders issued by the commissioner pursuant to M.S. 156A.

CHANGE REQUEST

____ Agency ____ Program X Activity

1990-91 Biennial Budget

ACTIVITY: WATER AND SOIL RESOURCES, BOARD OF
 PROGRAM: WATER AND SOIL RESOURCES, BOARD OF
 AGENCY: WATER AND SOIL RESOURCES, BOARD OF

REQUEST TITLE: WELL REPLACEMENT

Governor's Recommendation	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
	Amount	Positions	Amount	Positions
General Fund	\$ 150	-0-	\$ -0-	-0-

Request requires statutory change: ____ Yes X No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$150,000 in F.Y. 1990 for a well replacement cost-sharing program to aid well-owners affected by the drought. Within the limits of available funding, the state would pay up to half the cost of replacing properly drilled wells that have dried up due to the drought. Up to \$25,000 of the recommended funding may be used for administration. Any unencumbered funds remaining at the end of F.Y. 1990 should be available in F.Y. 1991.

DESCRIPTION/BACKGROUND:

The drought has depleted well water supplies in several areas of the state. This one year program would aid well-owners in replacing properly drilled wells that have dried up as a result of the drought. The board should develop guidelines to target this assistance to areas most affected by water shortages. The state would pay up to 50% of the well replacement costs incurred by the individual well-owners.

BASE: None.

LONG RANGE IMPLICATIONS: None.

CHANGE REQUEST

1990-91 Biennial Budget

____ Agency ____ Program X Activity

ACTIVITY: WATER AND SOIL RESOURCES, BOARD OF
 PROGRAM: WATER AND SOIL RESOURCES, BOARD OF
 AGENCY: WATER AND SOIL RESOURCES, BOARD OF

REQUEST TITLE: RIM PROGRAM

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 902	3.0	\$ 902	3.0

Request requires statutory change: X Yes ____ No
 Statutes Affected: M.S. 40.42 - 40.45

GOVERNOR'S RECOMMENDATION:

The Governor recommends that the administration of the conservation reserve program within RIM (Reinvest in Minnesota Resources) be transferred to the Board of Water and Soil Resources from the Department of Agriculture effective 7-1-89. In addition to the positions and funding shown above, the management of any remaining bond proceeds appropriated for the RIM Reserve Program should also be transferred on that date.

DESCRIPTION/BACKGROUND:

At its inception in 1986, the RIM Reserve program was administered by the former Soil and Water Conservation Board (SWCB) within the Department of Agriculture. In 1987, the Board of Water and Soil Resources (BWSR) was created to assume most of the SWCB duties. Statutory responsibilities for the RIM Reserve program remain with the commissioner of Agriculture under current law. The commissioner contracts with BWSR to implement the program. Now that BWSR is fully functional, the Governor recommends that the full authority and budget for the program be transferred to BWSR.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 902	\$ 902	\$ 1,804

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: WATER AND SOIL RESOURCES, BOARD OF
 PROGRAM: WATER AND SOIL RESOURCES, BOARD OF
 AGENCY: WATER AND SOIL RESOURCES, BOARD OF

REQUEST TITLE: RIM AND THE MINNESOTA ENVIRONMENT AND NATURAL RESOURCES TRUST FUND ACCELERATION EXPENDITURES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ 150	-0-	\$ 150	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

In November 1988, Minnesota voters approved the creation of an Environment and Natural Resources Trust Fund by a 4-to-1 margin. Laws 1988, Chapter 690 provides that one-half of the lottery proceeds will be credited to the Trust Fund through the first 5 full fiscal years during which proceeds of the lottery are received. The corpus of the Fund, which controls the amounts available for expenditure, is expected to grow slowly in the first several years.

The Governor's objective is to accelerate the building of the Trust Fund and provide for expenditures for activities which the Trust Fund is designed to support.

The Governor recommends that \$21.5 million be appropriated for Trust Fund initiatives, as follows:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
RIM Debt Service* Positions	\$ 1,600 -0-	\$ 2,800 -0-
RIM Support, Department of Natural Resources Positions	3,000 42.0	3,000 42.0
RIM Support, Board of Water & Soil Resources Positions	150 -0-	150 -0-
Minnesota Future Resources Commission Positions	10,800 -0-	-0- -0-

* Estimated to provide \$21 million in biennial bonding authority. The total support to RIM will then be \$29.1 million for the biennium, which includes \$1.8 million in the Board of Water & Soil Resources BASE budget, if this CHANGE request is passed as recommended.

DESCRIPTION/BACKGROUND:

The Environment and Natural Resources Trust Fund was established to support long-term activities, including the Re-Invest in Minnesota (RIM) program, that allow the state to preserve its high-quality environment and to provide for the wise use of its natural resources. While the Trust Fund will provide a consistent and stable source of funding when its corpus has been allowed to develop, immediate support is needed for Trust Fund activities, including continued support of RIM.

The RIM program was established in response to severe losses of fish and wildlife habitat as a result of land-use conversions. Despite the implementation of resource protection programs and regulations, these losses have continued. For example, over 75% of the state's wetlands and over 99% of its native prairie have been destroyed. The need for long-term support for the RIM program was recognized in including it as an eligible purpose for which Trust Fund proceeds may be used.

Continuation of the support of the state Conservation Reserve Program, Critical Habitat Matching Program, Prairie Bank Program, and other innovative programs are essential to responding to the loss of fish and wildlife habitat and providing water quality protection. Acceleration of more traditional activities, such as habitat acquisition and development, will continue as a basic core for meeting environmental and natural resource protection demands.

The Department of Natural Resources and the Board of Water and Soil Resources require assistance to provide the support services necessary to fully enjoy the potential of the RIM program. During the 1990-91 biennium, RIM is expected to protect nearly 10,000 acres of land by fee acquisition, easement or donation and to improve habitat on more than 25,000 acres as the result of the efforts supported through the Department of Natural Resources and the Board of Water and Soil Resources.

Further, there is a need to accelerate attention to long-term problems which the Trust Fund is intended to support. The Minnesota Future Resources Commission is responsible for decisions in respect to how such an objective should be achieved. An appropriation to the Minnesota Future Resources Commission will accelerate efforts to build the Trust Fund and meet its objectives.

RATIONALE:

In establishing the Environment and Natural Resources Trust Fund, Minnesota voters affirmed the commitment of the state of Minnesota to providing proper management of its environment and natural resources. The recommendation to provide \$21.5 million to accelerate the building the Trust Fund and to allocate funds for expenditures for activities which the Trust Fund is designed to support, particularly the RIM program, is consistent with this commitment.

1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: ANIMAL HEALTH, BOARD OF

PROGRAMS

ACTIVITIES

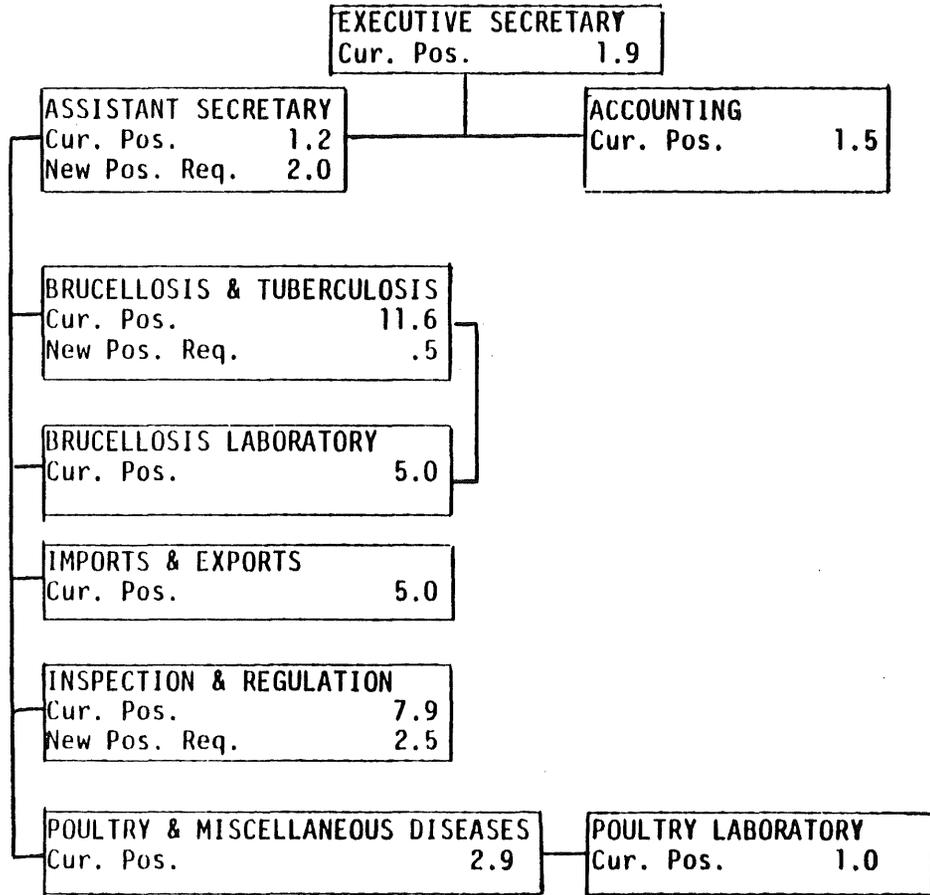
SECTION

PAGE

LIVESTOCK AND POULTRY HEALTH SERVICES -----	Disease Control	8	7
	Regulation of Health		13
	Administrative Services		15

**BOARD OF ANIMAL HEALTH
ORGANIZATION CHART 7-1-88**

POSITION RECONCILIATION		
Authority:	Current FY 89	Requested For 6/30/91
Legislative Complement:		
General Fund	36.0	41.0
LAC Approved:		
General	1.0	-0-
TOTAL	37.0	41.0
Seasonal/Part-time	2.0	2.0
TOTAL Positions	39.0	43.0
Employees on 6/30/88	36.0	



AGENCY: ANIMAL HEALTH, BOARD OF

1990-91 Biennial Budget

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.

The board 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 provide overall administration of the agency including personnel, and fiscal management responsibilities.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Legal Services Rendered				
Fees Assessed	\$ 3	\$ 3	\$ -0-	\$ -0-
Fee Paid	3	3	-0-	-0-
Requested Budget	4	3	3	3

EXPLANATION OF BUDGET REQUEST:

The agency's F.Y. 1990-91 biennial budget request of more than \$5 million is to maintain funding at the BASE level of the current biennium plus new funding for continuation and expansion of programs.

The CHANGE requests addressed in this budget document represent General Fund increases. Funding of \$10,000 is to continue the appropriation for rule changes and administration of the changes in the dog control law under Laws of 1987, Ch. 380, Art. 3. Increased funding of \$772,000 is requested for the expansion of the pseudorabies control program. These funds are for the

continuance and increased initiatives of the \$185,000 appropriation received in the 1988-89 biennium to implement a pseudorabies control program. Increased funding of \$98,000 is being requested for the expansion of 2 avian programs. These programs are for increased testing of salmonella and avian influenza of primarily poultry in Minnesota. Increased funding of \$208,000 is for 3.0 new positions necessary to monitor and enforce new rules pertaining to pseudorabies and dog and cat dealers. The regulatory staff would be increased from 3.0 to 6.0 persons to increase the efficiency of the agency. The last increase of \$68,000 is a new initiative, to automate the agency by the acquisition of a personal computer network to assist with the enormous amount of information compiled with the surveillance and eradication programs.

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
BASE Level Request	\$ 3,586	\$ 3,586	
Agency-wide CHANGE Requests			
Law Compliance Staff	208	0	5
Data Processing Equipment	68	68	6
Subtotal	\$ 276	68	
*Program/Budget Activity			
CHANGE Requests:			
Pseudorabies Control	1,544	248	9
Salmonella and Other Testing	90	0	10
Dog and Cat Dealer and Kennel Enforcement	10	10	11
Avian Influenza Testing	8	0	12
Subtotal	\$ 1,652	258	
CHANGE Requests Subtotal	\$ 1,928	\$ 326	
AGENCY Total	\$ 5,514	\$ 3,912	

BANHLTH.AGY
1-6 AM

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BD OF ANIMAL HEALTH
PROGRAM : LIVESTOCK POULTRY HEALTH

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DISEASE CONTROL	1,102	1,280	1,108	844	1,952	1,226	1,108	850	1,958	1,248
A LAW COMPLIANCE STAFF				21		0		21		0
B PSEUDORABIES CONTROL				772		113		772		135
B FUNDING FOR SALMONELLA AT STATE LAB				42		0		48		0
B DOG AND CAT DEALER AND KENNEL ENFORCEMENT				5		5		5		5
B AVIAN INFLUENZA TESTING EXPANSION				4		0		4		0
REGULATION OF HEALTH	411	466	466	82	548	466	466	84	550	466
A LAW COMPLIANCE STAFF				82		0		84		0
ADMIN SERVICES	212	210	219	55	274	274	219	13	232	232
A DATA PROCESSING EQUIPMENT				55		55		13		13
TOTAL EXPENDITURES	1,725	1,956	1,793	981	2,774	1,966	1,793	947	2,740	1,946
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,648	1,855	1,692	981	2,673	1,865	1,692	947	2,639	1,845
STATUTORY APPROPRIATIONS:										
FEDERAL	77	101	101	0	101	101	101	0	101	101
TOTAL FINANCING	1,725	1,956	1,793	981	2,774	1,966	1,793	947	2,740	1,946
POSITIONS BY FUND:										
GENERAL	36.0	36.0	36.0	5.0	41.0	37.0	36.0	5.0	41.0	37.0
TOTAL POSITIONS	36.0	36.0	36.0	5.0	41.0	37.0	36.0	5.0	41.0	37.0

CHANGE REQUEST _____ 1990-91 Biennial Budget
 Agency _____ Program _____ Activity

ACTIVITY: BOARD OF ANIMAL HEALTH
 PROGRAM: BOARD OF ANIMAL HEALTH
 AGENCY: BOARD OF ANIMAL HEALTH

REQUEST TITLE: LAW COMPLIANCE STAFF

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 103	3.0	\$ 105	3.0
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 dollar amounts and positions in order to provide the surveillance, inspections and investigations necessary for livestock and poultry disease control and eradication. The objective is to maintain the "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:

Minnesota is currently classified by the United States Department of Agriculture (USDA) as a Brucellosis Free state. This status allows freer movement of Minnesota cattle and swine both nationally and internationally. In order to maintain the "free" classification, the board has imposed stricter surveillance of livestock imported from other states, with special emphasis on cattle that originate from states that have lower USDA "A", "B", and "C" classifications; which indicates a higher incidence rate of disease in their livestock.

The pseudorabies control program currently has 4,215 pseudorabies free monitored herds producing feeder pigs. This is expected to more than double by January, 1990. There are 432 pseudorabies quarantined herds at the present time; 118 of these herds have been quarantined thus far in 1988. The regulations adopted in 1988 require more frequent market inspections and contacts with other swine producers to prevent the spread of pseudorabies from known infected and quarantined herds. Feeder pigs entering Minnesota must now originate from tested sources.

The agency is requesting that the present complement of 3.0 Law Compliance Representatives be increased to 6.0. This will allow the Law Compliance Representatives more time to cover their assigned territories by reducing the travel time of each employee thereby, protecting the disease control advances that have been made in the past as well as present control measures.

Of this request for funding \$80,000 would be used for salaries for 3.0 full time employees in F.Y. 1990 and \$82,000 would fund 3.0 full time employees in

F.Y. 1991. The remainder of funding would be used for travel and support expenses.

Summary of CHANGE Request:	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Livestock/Poultry Health Programs		
Disease Control Activity	\$ 21	\$ 21
Regulation of Health Activity	82	84

RATIONALE:

Minnesota is currently classified as a Brucellosis Free state. This distinction allows cattle producers and markets to move their cattle freely throughout the country. In order to maintain this status and freedom of animal movement, certain inspections and surveillance programs must be performed continually by board personnel on a statewide basis. Since 1984, when Minnesota was classified as a Brucellosis Free state, the number of inspections and investigations have at least doubled in order to maintain this status.

The implementation of the pseudorabies control program became more effective with the adoption of the board rules in April, 1988. These rules caused a significant increase in the surveillance and regulation activities. For example, the number of swine tested for pseudorabies increased from 44,138 in 1987 to 96,940 in 1988 and are expected to increase during this biennium. The control of pseudorabies in Minnesota has become more important since surrounding states have imposed stricter controls on swine entering their state. Swine cannot be exported without being from a pseudorabies monitored herd or certified clean herd.

Three Law Compliance Representatives are currently responsible to monitor the activities of 70 livestock markets, several garbage feeding establishments and 8 feedlots. Recent legislation also requires the inspection of 10 class "B" dog dealers twice a year. In addition, 55 dog kennels that are licensed by the board must be inspected annually. With the increase of pseudorabies and brucellosis control measures and the above required inspections too much time is spent travelling to be effective and efficient in the control of livestock diseases in Minnesota. Three Law Compliance Representatives are responsible for all of the counties in Minnesota. With 3 more employees, the travel distances would be shorter and more work would be accomplished.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 112	\$ 115	\$ 118	\$ 121
General Fund Positions	3.0	3.0	3.0	3.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 105	\$ 105	\$ 210
General Fund Positions	3.0	3.0	3.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: ANIMAL HEALTH, BOARD OF
 PROGRAM: ANIMAL HEALTH, BOARD OF
 AGENCY: ANIMAL HEALTH, BOARD OF

REQUEST TITLE: DATA PROCESSING EQUIPMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 55	-0-	\$ 13	-0-

Governor's Recommendation

General Fund	\$ 55	-0-	\$ 13	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency is requesting these funds for the purchase and installation of microcomputers in order to establish a network for the movement of animals and poultry entering or leaving Minnesota. The objective is to eliminate the duplication of records and forms and to have immediate access to livestock, poultry and companion animal information.

DESCRIPTION/BACKGROUND:

The present system of compiling information manually on animals and poultry has become outdated. A recent feasibility study has recommended that the board could be more efficient with the aid of micro computers. The study suggests that a storage and retrieval network system would provide easy access to current information on animals and poultry as well as reducing the storage of historical documents. In addition, the system would provide word processing capabilities that would combine, or allow a modification, of like forms used by each division. Each division would have access to the information from other divisions, thereby reducing the manual retrieval for documents.

Presently, the agency participates in the USDA Brucellosis Information System (BIS). This system is designed to compile information regarding cattle that have been vaccinated and tested for brucellosis. The agency currently inputs this information by a terminal to a mainframe computer in the federal district office. The USDA has indicated that they will soon convert this system to a personal computer system. The network proposed by the board could feasibly be integrated with the BIS resulting in greater information capabilities.

The importance of a network system within the board's office is that it will

benefit the reports required by the USDA due to simpler retrieval of information. Additional benefits of this network system would include providing other states that receive Minnesota livestock and poultry with immediate response to their inquiries on tests required by their state. The State of Minnesota would also benefit by compiling information on animals that enter the state. Further, the livestock and poultry industry would benefit by being able to move their animals and poultry faster.

EXPLANATION OF BUDGET REQUEST:

The agency is requesting new data processing funding of \$68,000 for the 1990-1991 biennium. In F.Y. 1990, \$55,000 will be used for the initial purchase of 6 personal computer workstations and the development of an agency network program. In F.Y. 1991, \$13,000 will be used for maintenance, supplies and anticipated upgrades of the system. It is anticipated that future operational costs will level out to approximately \$10,000 per year.

SUMMARY OF CHANGE REQUEST:

	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Livestock and Poultry Health Services		
Disease Control	\$ 39	\$ 9
Regulation of Health	6	1
Administrative Services	10	3
Total	\$ 55	\$ 13

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ -0-	\$ -0-	\$ 55	\$ 13

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 10	\$ 10	\$ 20

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: DISEASE CONTROL
Program: LIVESTOCK AND POULTRY HEALTH SERVICES
Agency: ANIMAL HEALTH, BOARD OF

1990-91 Biennial Budget

PURPOSE:

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 poultry 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, and income from exports.

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 State Poultry Testing Laboratory, Willmar; the University of Minnesota's College of Veterinary Medicine's Diagnostic Laboratory and the Brucellosis laboratory, St. Paul; 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.

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.

Statutory References: MS CH. 35, 347

(in Thousands)

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Livestock and Poultry Tests for:				
Bovine Brucellosis	482	500	530	530
Swine Brucellosis	212	220	240	240
Bovine Tuberculosis	15	15	17	18
Paratuberculosis	4	5	5	5
Anaplasmosis	13	14	16	18
Pseudorabies	97	200	240	300
Equine Infectious Anemia	10	13	14	14
Salmonella Pullorum/Typhoid	71	75	80	85
Salmonella Typhimurium	61	65	70	77
Mycoplasma Gallisepticum	27	32	35	38
Mycoplasma Meleagridis	50	57	63	68
Mycoplasma Synoviae	66	75	80	85
Avian Influenza	26	32	60	65
Salmonella Cultures	61	70	75	80
Salmonella Serotyping	1	4	8	10
Public Exhibitions Supervised	122	125	130	134
(Actual Number)				

Federal Funding Sources:

Federal monies have been provided to the agency by the USDA, Animal and Plant Health Inspection Service, Veterinary Services, for the partial funding of activities in the pseudorabies program. In fiscal year 1987, the agency was granted \$46,548 and in F.Y. 1988, \$143,000. It is estimated that some federal funds will be provided in F.Y.s 1990, 1991 and beyond. Usually, the exact amount of funding is not known until appropriated by law and then apportioned by need on a regional basis.

REVENUE:

This activity generates dedicated revenue.

<u>Type of Revenue:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Act/Est F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Dedicated -- federal	\$ 193	\$ 175	\$ 190	\$ 250

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BD OF ANIMAL HEALTH
PROGRAM : LIVESTOCK POULTRY HEALTH
BUDGET ACTIVITY : DISEASE CONTROL

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	702	751	730	81	811	755	730	81	811	755
EXPENSES/CONTRACTUAL SRVCS	278	356	231	708	939	316	231	710	941	333
MISC OPERATING EXPENSES	117	149	124	55	179	132	124	59	183	137
SUPPLIES/MATERIALS/PARTS	5	8	7	0	7	7	7	0	7	7
REDISTRIBUTIONS	0	16	16	0	16	16	16	0	16	16
TOTAL EXPENDITURES	1,102	1,280	1,108	844	1,952	1,226	1,108	850	1,958	1,248
CHANGE REQUESTS: FUND										
A LAW COMPLIANCE STAFF				21		0		21		0
B PSEUDORABIES CONTROL				772		113		772		135
B FUNDING FOR SALMONELLA AT STATE POULTRY LAB				42		0		48		0
B DOG AND CAT DEALER AND KENNEL ENFORCEMENT				5		5		5		5
B AVIAN INFLUENZA TESTING EXPANSION				4		0		4		0
TOTAL CHANGE REQUESTS				844		118		850		140
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,025	1,179	1,007	844	1,851	1,125	1,007	850	1,857	1,147
STATUTORY APPROPRIATIONS:										
FEDERAL	77	101	101	0	101	101	101	0	101	101
TOTAL FINANCING	1,102	1,280	1,108	844	1,952	1,226	1,108	850	1,958	1,248
POSITIONS BY FUND:										
GENERAL	18.5	18.6	18.6	2.6	21.2	19.6	18.6	2.6	21.2	19.6
TOTAL POSITIONS	18.5	18.6	18.6	2.6	21.2	19.6	18.6	2.6	21.2	19.6

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DISEASE CONTROL
 PROGRAM: LIVESTOCK AND POULTRY HEALTH SERVICES
 AGENCY: ANIMAL HEALTH, BOARD OF

REQUEST TITLE: PSEUDORABIES CONTROL

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 772	2.0	\$ 772	2.0
Governor's Recommendation				
General Fund	\$ 113	1.0	\$ 135	1.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds and positions to continue and expand the Swine Pseudorabies Control Program. The purpose of the program is for the control and eventual eradication of pseudorabies in swine. The objective is to provide assistance to the swine producers and herd owners with the testing and cleanup of their herds. The positions are necessary for the coordination of a herd cleanup program and subsequent increase of paperwork.

DESCRIPTION/BACKGROUND:

Pseudorabies is a serious disease of swine in Minnesota. As of October, 1988, 430 herds have been quarantined for pseudorabies. Of these 430 herds, 129 herds were quarantined in 1988. This represents approximately 40,000 swine. For the program to effectively decrease the spread of this disease; controls were established to restrict the movement of swine in Minnesota. This was accomplished by agency rules and involves the monitoring of herds, tracing back the disease to herd of origin, testing neighboring swine premises and herd surveillance and cleanup. These controls were also necessary since the surrounding states placed restrictions on imported swine from Minnesota. This disease is costing the swine industry an estimated \$12 million per year in losses due to the loss of pigs or restricted movement of their stock.

In 1983, the board was mandated to adopt rules to implement a pseudorabies control program. However, this mandate provided no additional funds to initiate the program. In 1984, the Legislative Advisory Commission (LAC) approved \$60,000 and 1.0 position to partially fund the program in F.Y. 1985. In the 1985-87 biennial budget, the board received \$221,200 for the pseudorabies control program.

In 1987, the legislature appropriated \$185,000 for the testing and drawing of pseudorabies blood samples. This appropriation was in addition to the 1987-89 biennial budget appropriation and ends in F.Y. 1989. The increase of funds was necessary due to the stricter requirement imposed with the adoption of our agency rules.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
PRV Quarantined Herds	433	500	600	650
Swine Tested	96,940	136,490	205,000	208,000
Monitored Herds	4,295	6,000	14,000	14,000

RATIONALE:

This request will fund the swine pseudorabies control program. The program assists swine producers and herd owners with the testing of samples from their herds by partially paying for the veterinarian and laboratory fees necessary for detecting the disease. The program funds of \$772,000 for each year will allow us to hire an additional veterinarian as a herd cleanup coordinator and continue funding for 1.0 clerical position. The veterinarian would be a new full time complement position. The clerical position is a continuance of a full time complement position that was approved by the LAC in F.Y. 1989. No additional funds were requested from the LAC; it was funded from the \$185,000 pseudorabies appropriation that ends in F.Y. 1989. The budget request is broken down as follows for each year of the biennium: \$50,000 for the veterinarian position, \$22,000 for the continuation of the clerical position and \$700,000 for various testing and drawing of swine blood samples.

<u>BASE:</u>	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 184	\$ 221	\$ 111	\$ 111
General Fund Positions	1.0	1.0	1.0	1.0

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 772	\$ 772	\$1,544
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends \$113,000 in F.Y. 1990, \$135,000 in F.Y. 1991, and 1.0 position for this request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DISEASE CONTROL
 PROGRAM: LIVESTOCK AND POULTRY HEALTH SERVICES
 AGENCY: ANIMAL HEALTH, BOARD OF

REQUEST TITLE: FUNDING FOR SALMONELLA AND OTHER TESTING AT STATE POULTRY LABORATORY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 42	-0-	\$ 48	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amounts in order to provide the testing necessary for disease control in the poultry flocks of Minnesota. The main objective is to help the poultry industries control and eliminate Salmonella from their flocks, thereby reducing the Salmonella contamination of their products and protecting human health. Another objective is to enable the poultry industries to meet the National Poultry Improvement Plan (NPIP) standards and thus maintain their export markets.

DESCRIPTION/BACKGROUND:

The state poultry testing laboratory at Willmar, MN is owned by the University of Minnesota. Through a cooperative agreement between the Board of Animal Health and the University of Minnesota, the board funds the operation of the laboratory through the University Diagnosis Laboratory.

The request is for contractual services and for the supplies and materials necessary for a 50% increase in the testing. This increase is caused by several factors, most of them relating to the public health concerns with Salmonella in poultry products.

First, Salmonella enteritidis is causing great concern on the East Coast. USDA and FDA have put together a voluntary program of testing to help assure that the eggs are safe. This program, even though voluntary, has been adopted by some states and nothing can be imported into those states unless from flocks that are officially tested.

Second, the NPIP has passed a Sanitation Program which requires a large amount of testing of poultry, hatching eggs and environment (barns) for all Salmonellae. Minnesota has been a leader in the nation and NPIP; if we are not part of this Sanitation Program, it will adversely effect the markets that have been established.

Third, the NPIP has informed us that we are not testing enough birds to qual-

ify some of our divided flocks. We have initiated the proper testing so as to not lose the NPIP Clean Status and thus the markets. This is going to increase the laboratory work by approximately 10% per year.

Fourth, the new director of the laboratory has the capabilities to identify the most common types of Salmonella. He would like the funding to be able to accomplish this. Presently, he must send the samples out to be identified. This takes from 1 to 4 months turn-around time and he would be able to accomplish this in about 2 days. If the poultry industry is going to control Salmonella, they need to know what they have, not what they had 2 months or more ago.

Last, the poultry industries are growing at a rate of approximately 15-20% each year. This alone has increased the number of tests actually performed in F.Y. 1988 to 10% over the forecast in the last biennial budget.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Salmonella testing	13,000	13,000	15,000	15,000
Salmonella identification	16,000	16,000	18,000	19,000
Other required testing	4,000	4,000	5,900	5,000

RATIONALE:

With the increased awareness of Salmonella in poultry products and the increased public pressure to eliminate this potential health hazard, the poultry industries are taking steps to reduce, and in some instances eliminate, Salmonella from their flocks. The egg layer industry is committed to eliminate Salmonella enteritidis from their flocks, while the broiler and turkey industries are committed to eliminate the 5 most common strains that effect humans and to reduce the incidence of other strains'.

These commitments are necessary to meet public health demands and to protect their markets. Some states have already stopped the shipment of poultry products into their state unless the products originate from flocks that are officially tested. The funding would enable the state poultry testing laboratory to serve the needs of the poultry industries. The official testing is necessary to protect their export markets and the identification of Salmonella is necessary to give them the tools to eliminate the Salmonella from their products and thus prevent human illness.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 95	\$ 95	\$ 95	\$ 95
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 42	\$ 48	\$ 90
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DISEASE CONTROL
 PROGRAM: LIVESTOCK AND POULTRY HEALTH SERVICES
 AGENCY: ANIMAL HEALTH, BOARD OF

REQUEST TITLE: DOG AND CAT DEALER AND KENNEL ENFORCEMENT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 5	-0-	\$ 5	-0-
Governor's Recommendation				
General Fund	\$ 5	-0-	\$ 5	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds for continuation of funding for the dog and cat dealers and kennel enforcement law mandated in Laws of 1987, Chapter 308, Article 3. The objective is to inspect, administer and enforce regulations and to license dog and cat dealers and kennels.

DESCRIPTION/BACKGROUND:

In 1987, the legislature significantly changed the law that regulates the control of dogs. The changes added cats and dog and cat "B" dealers. Under this law, the board was mandated to promulgate rules for stricter enforcement of dog and cat dealers, the transfer of dogs and cats to institutions from their owners, and the licensing of kennels and "B" dealers. To assist the board with the additional costs to make these changes, a \$10,000 appropriation was provided for in the law. However, since there were certain ambiguities in the law, the agency was unable to develop the rules. In 1988, the rules were amended to ease the development of the rules but, this has not been accomplished as of F.Y. 1989. There are still certain areas of the law that are unenforceable by the agency and inappropriate to the facilities and institutions affected by the law. It is anticipated that the law will be amended or rewritten in the 1989 legislature. Even though there have been no rules established for the new law changes, the law was enforced as provided. The appropriation for the F.Y. 1990-91 biennium will be for the development of a program for inspections and licensing of facilities as well as the necessary costs for printing and communication to enforce the law.

EXPLANATION OF BUDGET REQUEST:

The biennial budget request of \$10,000 is to continue funding for additional inspections and regulatory enforcement of the dog control law. The funding will be used to promulgate agency rules and subsidize the increased inspections created by the changes in the law. Funding will consist of \$4,000 for the promulgation of rules and \$6,000 for additional travel and administrative expenses.

REVENUE:

There is an average of 60 kennels and 6 "B" dealer licenses issued annually by the agency. The law requires a fee of \$15.00 for the kennel license and \$100.00 for the "B" dealer license. Previously, there was a \$10.00 fee for the kennel license and no fee for the "B" dealer license. Prior to the changes of the law there were approximately 15 "B" dealers. With the stricter law approximately one-half of the dealers ceased operations.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 1	\$ 9	\$ 0	\$ 0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 5	\$ 5	\$ 10

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DISEASE CONTROL
 PROGRAM: LIVESTOCK AND POULTRY HEALTH SERVICES
 AGENCY: ANIMAL HEALTH, BOARD OF

REQUEST TITLE: AVIAN INFLUENZA TESTING EXPANSION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 4	-0-	\$ 4	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds for the avian influenza monitoring program. The objective is to prevent the widespread outbreak of avian influenza in poultry in Minnesota.

DESCRIPTION/BACKGROUND:

In 1986, the board was appropriated \$20,000 for an Avian Influenza Testing Program. This program was developed to prevent the widespread outbreak of avian influenza in poultry. The intent of the program was to be accomplished by collecting and testing 20 samples from each flock at time of slaughter to determine the avian influenza disease status in each flock. This would provide early detection of avian influenza and its' origin.

However, due to a budget reduction that was imposed in 1986, this program was significantly curtailed from \$20,000 in each year to \$5,700 in each year. This resulted in 50% reduction in the number of tests being performed. With this funds reduction, early detection of avian influenza was impaired. Only 10 samples could be tested instead of a minimum of 20 per flock for the program to be effective.

An outbreak of this disease occurred in Pennsylvania in 1983 to 1984 and later returned in 1985 to 1986. The cost to control and eradicate avian influenza for the first occurrence cost the government and industry over \$65 million dollars. No cost details are available on the second outbreak. The last outbreak of this disease in Minnesota was in 1978; this cost the industry over \$4 million dollars.

RATIONALE:

The reinstatement of funds to \$10,000 in each year of the biennium to this program would provide the necessary testing of 20 samples per flock for avian influenza instead of the present 10 samples per flock. In 1987, the board tested 26,000 samples. Based on the number of flocks in Minnesota, over 50,000 samples should have been tested. This is a practical investment of state funds since it has been proven that a widespread outbreak can cost the government and industry million of dollars. The poultry industry is fully supportive of this Minnesota program to detect avian influenza in the early stages of development

This surveillance program will provide less costly poultry and poultry products to the consumer by preserving the poultry population. It also protects poultry export business because other states have confidence in our control program. It has gained recognition nationally and internationally.

BASE: (Dollars in Thousands)

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 6	\$ 6	\$ 6	\$ 6

LONG RANGE IMPLICATIONS: (Dollars in Thousands)

	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 4	\$ 4	\$ 8
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BD OF ANIMAL HEALTH
PROGRAM : LIVESTOCK POULTRY HEALTH
BUDGET ACTIVITY : REGULATION OF HEALTH

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	388	443	443	61	504	443	443	61	504	443
EXPENSES/CONTRACTUAL SRVCS	2	3	3	0	3	3	3	0	3	3
MISC OPERATING EXPENSES	21	20	20	21	41	20	20	23	43	20
TOTAL EXPENDITURES	411	466	466	82	548	466	466	84	550	466
CHANGE REQUESTS:										
	FUND									
A LAW COMPLIANCE STAFF				82		0		84		0
TOTAL CHANGE REQUESTS				82		0		84		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	411	466	466	82	548	466	466	84	550	466
TOTAL FINANCING	411	466	466	82	548	466	466	84	550	466
POSITIONS BY FUND:										
GENERAL	12.9	12.8	12.8	2.4	15.2	12.8	12.8	2.4	15.2	12.8
TOTAL POSITIONS	12.9	12.8	12.8	2.4	15.2	12.8	12.8	2.4	15.2	12.8

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BD OF ANIMAL HEALTH
PROGRAM : LIVESTOCK POULTRY HEALTH
BUDGET ACTIVITY : ADMIN SERVICES

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	188	189	198	0	198	198	198	0	198	198
EXPENSES/CONTRACTUAL SRVCS	6	7	7	55	62	62	7	13	20	20
MISC OPERATING EXPENSES	7	8	8	0	8	8	8	0	8	8
SUPPLIES/MATERIALS/PARTS	6	4	4	0	4	4	4	0	4	4
CAPITAL EQUIPMENT	5	2	2	0	2	2	2	0	2	2
TOTAL EXPENDITURES	212	210	219	55	274	274	219	13	232	232
CHANGE REQUESTS:										
	FUND									
A DATA PROCESSING EQUIPMENT	GEN									
				55		55		13		13
TOTAL CHANGE REQUESTS				55		55		13		13
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	212	210	219	55	274	274	219	13	232	232
TOTAL FINANCING	212	210	219	55	274	274	219	13	232	232
POSITIONS BY FUND:										
GENERAL	4.6	4.6	4.6	0.0	4.6	4.6	4.6	0.0	4.6	4.6
TOTAL POSITIONS	4.6	4.6	4.6	0.0	4.6	4.6	4.6	0.0	4.6	4.6

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FINANCIAL EXAMINATIONS	5,072	4,302	4,490	<157>	4,333	4,333	4,490	<157>	4,333	4,333
REGISTRATION & ANALYSIS	1,653	1,729	1,808	55	1,863	1,863	1,808	55	1,863	1,863
PETROLEUM TANK RELEASE CLEANUP FUND BOARD	120	1,855	4,806	0	4,806	4,806	6,896	0	6,896	6,896
ADMINISTRATIVE SERVICES	1,370	1,485	1,602	0	1,602	1,602	1,639	0	1,639	1,639
ENFORCEMENT & LICENSING	2,758	2,617	2,607	0	2,607	2,607	2,608	0	2,608	2,608
TOTAL EXPENDITURES	10,973	11,988	15,313	<102>	15,211	15,211	17,441	<102>	17,339	17,339
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	10,318	9,697	10,067	<102>	9,965	9,965	10,104	<102>	10,002	10,002
PETRO CLEANUP	41	55	56	0	56	56	56	0	56	56
STATUTORY APPROPRIATIONS:										
PETRO CLEANUP	79	1,800	4,750	0	4,750	4,750	6,840	0	6,840	6,840
SPECIAL REVENUE	535	436	440	0	440	440	441	0	441	441
TOTAL FINANCING	10,973	11,988	15,313	<102>	15,211	15,211	17,441	<102>	17,339	17,339
POSITIONS BY FUND:										
GENERAL	236.0	236.0	230.0	<5.0>	225.0	225.0	230.0	<5.0>	225.0	225.0
PETRO CLEANUP	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
SPECIAL REVENUE	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TOTAL POSITIONS	241.0	241.0	235.0	<5.0>	230.0	230.0	235.0	<5.0>	230.0	230.0

- and legislature to assure minimum access to a financial institution, e.g., lifeline accounts?
8. With increased use of junk or high risk investments, what limits should be imposed on amount and duration of such investments by insurance companies?
 9. What is responsibility of community by insurance companies in the state?

REGISTRATION AND ANALYSIS

1. What is the proper disclosure of return for investment products sold by insurers?
2. Given the dismantling of the SEC, what is the proper disclosure and standards for documents which describe investment products, e.g., "insured funds" which are not insured, conflicts of interest between issuer and sponsors, etc.?
3. What is the legitimate state activity in corporate takeovers which will withstand constitutional scrutiny?
4. Should a standardized form be used for homeowners and auto policies?
5. What intervention by the state should occur to enable employers to provide group health coverage?
6. What intervention by state should occur regarding health coverage for those who cannot afford it?
7. What is budgetary effect if insurance rates are regulated?
8. What are the privacy rights of policyholders and certificate holders vis a vis employers, insurers, agents, third party administrators, etc.?

ENFORCEMENT AND LICENSING

1. Should the department establish a market conduct team to review compliance with the law?
2. Should department continue closed claim studies on property and casualty carriers in light of fact that findings indicate there are substantial questions surrounding the basis for the "litigation crisis"?
3. Should the following industries be licensed, and if so, what qualifications should be imposed and what are the standards of conduct? Mortgage lenders, mortgage brokers, developers, auctioneers, appraisers, etc.
4. What should be the proper mix of deterrence, restitution, and retribution with regard to fines and reinstatement of revoked licenses?

ATTORNEY GENERAL COSTS:

Fees for Legal Services Rendered	(Dollars in Thousands)			
	Actual	Act/Est	Agency Request	
	F.Y. 1988	F.Y. 1989	F.Y.1990	F.Y.1991
Fees Assessed	\$ 276	\$ 289	\$ -0-	\$ -0-
Fees Paid	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Requested Budget	\$ -0-	\$ -0-	\$ -0-	\$ -0-

EXPLANATION OF BUDGET REQUEST:

The biennial budget requested for the department of Commerce contains 2 CHANGE level requests. The first is for a decrease of \$314,000 and 5.0 posi-

tions in the Financial Examinations program. This CHANGE represents the effect of computerization of examination reports processed by this division. The second CHANGE is for \$110,000 for the biennium to participate by contract in a nationwide network for locating unclaimed property. The remainder of the agency's budget is presented at the BASE level. While workload indicators show ever increasing efforts required, it is the agency's intent to address this within the BASE level budget.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	1990-91 Biennium	
BASE Level Request	\$ 32,754	\$ 32,754	
Program/Budget Activity			
CHANGE Requests			
Financial Examinations	(314)	(314)	9
Registration and Analysis			
Unclaimed Property	110	110	28
CHANGE Requests Subtotal	\$ (204)	\$ (204)	
AGENCY Total	\$ 32,550	\$ 32,550	

AGENCY PURPOSE:

The Department of Commerce is a regulatory agency which strives to achieve effective and efficient regulation of the financial services industries operating in Minnesota. By monitoring standards and through technical assistance provided, the department is able to achieve the primary responsibilities which are to instill investor and business confidence in financial transactions in Minnesota 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 makes every attempt to assure that a competitive market place exists which adheres to legal standards set forth and meets the needs of the public.

Regulated financial services industries include; banking, credit unions, consumer credit companies, insurance, securities, real estate, collection agencies, franchises, subdivided land, unclaimed property and campground memberships. The department is also responsible for the regulation of services provided by the cosmetology industry, and provides administrative support to the non-health licensing boards. From time to time the department is designated responsibility to administer programs such as the Petroleum Tank Release Clean Up Fund and the Farm Interest Buydown Program.

OPERATIONS AND CLIENTELE:

To accomplish the agency goals the Department of Commerce is organized along four major program lines: Financial Examinations, Registration and Analysis, Enforcement and Licensing and Administrative Services. The Petroleum Tank Release Clean Up Fund Board is also designated as an agency program.

The Financial Examinations program is responsible for the financial examination of all banks, credit unions, consumer credit companies and insurance companies licensed to do business in Minnesota. This program monitors the solvency of institutions to try to stabilize a rather hectic financial services industry. Examiners perform on-site examination of books and records of an individual institution and report their findings to agency management. By way of preparation and examination review of reports, the agency attempts to protect public investment by requiring that such institution maintain solvency and are able to honor their commitments to depositors and policyholders. The Farm Loan Interest Buydown program has also been administered for the past 3 years by this program. The Buydown program was established to provide an interest rate subsidy to Minnesota farmers which would allow some temporary relief during a troubled economic time.

The Registration and Analysis program reviews documents which describe various investment contracts sold in the state, reviews insurance policy forms, registers their rates and administers the unclaimed property program. Those who wish to offer an investment for sale in Minnesota must first register documents which describe the investment with this program. Examiners review such documents to require that they fully disclose their contractual terms and hopefully to diminish the number of deceptive sales. Also, this program reviews insurance policies offered for sale in Minnesota to see if the policies provide coverage mandated by state statutes and to determine that provisions are not deceptive. This program also administers various insurance pools which provide coverage to high risk policyholders who cannot obtain necessary coverage in a competitive market. Unclaimed Property is monitored

and administered by this program. The program attempts to return unclaimed property to its rightful owners through cataloging of annual reports from corporations and other "holders" and thereafter the advertisement of names of owners of unclaimed property in local newspapers.

The Enforcement and Licensing program is responsible to license financial professionals and to investigate complaints regarding possible violations of statutes pertaining to these professionals. The Enforcement Division conducts investigations of licensees, which are generated by consumer complaints or inquiries regarding their business practices. Efforts are also made by the Enforcement and Licensing program to inform Minnesota consumers of products, services and practices of industries regulated by way of a program of consumer awareness. Knowledgeable consumers are seen as a proactive type of enforcement measure. The Licensing Division within this program licenses those who seek to do business in one of the industries the agency is responsible for regulating. The Licensing Division also reviews the continuing education requirements of the various regulated professions to assure course content complies with statutes, rules and established business practices.

The Administrative Services program is responsible for all overall policy development, administration and support services provided to the agency. This is accomplished through management decisions made by the commissioner's office and through the effective management of fiscal and human resources.

The Petroleum Tank Release Clean Up Fund Board has the responsibility to administer the funds collected for the clean up of leaks from petroleum storage tanks. Application for clean up funds are approved by the board to assure public protection from unattended leaks.

The primary clientele of this agency are the citizens of Minnesota who use the financial services provided by the agency's licensees. Many inquiries of this agency are also made from other state regulators and people who want to purchase Minnesota investments. Further details of the department's operation are provided on the individual program and activity pages of this document.

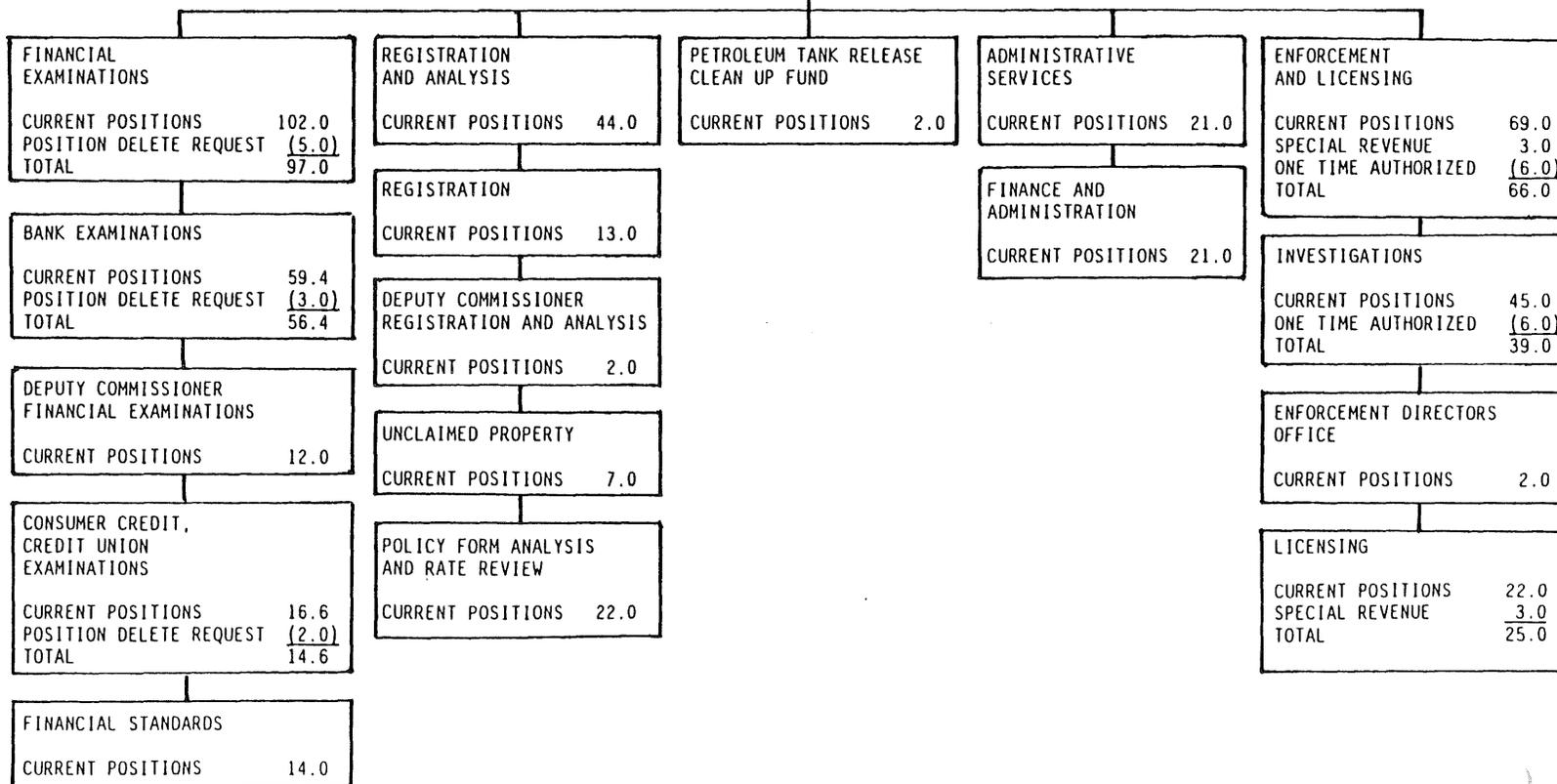
BUDGET ISSUES:

FINANCIAL EXAMINATIONS

1. What is the effect of 1988 drought in financial stability of rural banks?
2. What is the effect on banks of various relief proposals for agriculture, e.g., interest buydown, change in after-acquired lien law for succeeding crops, mortgage moratoriums, etc.?
3. What is the proper staff component to efficiently and effectively monitor insurers?
4. What is effect on state credit unions regarding federal position on sales tax, common bond, and tax exempt status?
5. If Congress and the legislature permit further product deregulation between banks, insurance, and securities, whether further instability of banks will occur due to volatility of bank investments and conflicts of interest regarding officials and other insiders.
6. With increased deregulation of bank products and geography (interstate banking and branch banking), will communities have less impact in obtaining local allocation of credit? (Community reinvestment) what is proper response for the legislature and regulators to assure local reinvestment?
7. With deregulation of bank products, what is responsibility of regulator

POSITION RECONCILIATION		
AUTHORITY	CURRENT F.Y. 1989	REQUESTED FOR 6/30/91
LEGISLATIVE COMPLEMENT		
GENERAL FUND	238.0	227.0
SPECIAL REVENUE FUND	3.0	3.0
LEGISLATIVE AUTHORIZED	-0-	-0-
BUDGETARY AUTHORIZED	-0-	-0-
LAC APPROVED	-0-	-0-
TRANSFERS IN/OUT (NET)	-0-	-0-
TOTAL PERMANENT POSITIONS	<u>241.0</u>	<u>230.0</u>
OTHER COMPLEMENT	-0-	-0-
TOTAL AUTHORIZED POSITIONS	<u>241.0</u>	<u>230.0</u>
EMPLOYEES ON 6/30/88	235.0	

DEPARTMENT OF COMMERCE



1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: COMMERCE, DEPARTMENT OF

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
FINANCIAL EXAMINATIONS-----	Bank Examinations	9	10
	Deputy Commissioner Financial Examinations		12
	Consumer Credit, Credit Union Examinations		14
	Insurance Company Examinations		16
	Interest Buydown		18
REGISTRATION AND ANALYSIS-----	Registration		22
	Deputy Commissioner Registration and Analysis		24
	Unclaimed Property		26
	Policy Form Analysis and Rate Review		29
PETROLEUM TANK RELEASE----- CLEAN UP FUND	Petro Tank Release Clean Up		31
ADMINISTRATIVE SERVICES-----	Finance and Administration		33
ENFORCEMENT AND LICENSING-----	Investigations		37
	Enforcement Director's Office		39
	Licensing		41

PROGRAM: FINANCIAL EXAMINATIONS
(Continuation)
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

BUDGET ISSUES: (Cont'd)

the department will review and evaluate the type of examination format that must be followed.

Another long-term issue relates to community reinvestment laws. During the last legislative session, the legislature directed that the department conduct a study concerning community reinvestment laws as they apply to state banks. The department has conducted hearings around the state on this issue. In the event that a community reinvestment law is enacted, and the department is required to review and "grade" banks on the basis of community reinvestment, an increase in staff may be necessary to accomplish this function.

Other issues relating to financial examinations, which would only have a nominal effect on its budget, relate to the requirement that financial institutions assure minimum access to a depository institution, (life line accounts), regulations to be implemented with regard to the use of a junk or high-risk investments by insurers and the requirement that insurance companies allocate their investments on a "community reinvestment" basis.

EXPLANATION OF BUDGET REQUEST:

Funding is requested with one CHANGE level presented to decrease staff and funding as a result of computerization of examination reports prepared by field staff. The remainder of the request is to continue funding at the BASE level.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

PROGRAM PURPOSE:

The Financial Examination program is responsible for the examination of the books and records of state chartered financial institutions and licensees in Minnesota. The purpose of these financial examinations is to ensure public confidence with regard to the safety of their deposits and premium dollars. In addition, the program examines the institution's records to ascertain compliance with lending laws.

The overall objective of this program is to maintain public confidence in the financial system which is primarily accomplished through the periodic review of the books and records of chartered or licensed institutions. In turn, confidence in the financial system complements the economic growth and development of the state of Minnesota.

OPERATION:

This program accomplishes its objectives through four major activity areas; Bank Examinations, Credit Union and Consumer Credit Examinations, Insurance Company Examinations and the Deputy Commissioner of Financial Examinations. This program has also been responsible for the administration of the Farm Loan Interest Buydown program, which was established to provide temporary interest rate relief to farmers by providing a state subsidy to buy down the farmer's loan interest rate.

The Bank Examinations activity examines state banks, trust and thrift companies at the physical location of the institution once each 18 months as required by statute or more often if additional review is determined necessary. The activity still participates in the divided examination program with the Federal Deposit Insurance Corporation (FDIC) and Federal Reserve System. However, the participation by these 2 co-regulators in the program has been substantially reduced over the past few years as a result of the need for these agencies to refocus their resources to other areas. In Minnesota, for instance, the FDIC has lengthened their examination cycle to two years for banks with a one or two CAMEL rating. All state chartered banks have accounts insured by the FDIC.

Credit unions and consumer credit companies are also on an 18-month examination cycle as required by statute. In this activity, examiners perform on-site examinations of each institution at least once during the 18-month cycle and more frequently if the financial condition of the institution so requires. All credit union accounts are insured by the National Credit Union Administration (NCUA). Recently a number of credit unions have changed charters from state to federal as a result of assessment and tax advantages for federally chartered credit unions. As a result, the number of regulated institutions in this area have declined.

The Insurance Examination Activity conducts financial examinations, with other states, of insurance companies licensed to do business in Minnesota. This is done through a cooperative examination process with the National Association of Insurance Commissioners (NAIC). Through the NAIC, this activity shares examination results with other states where a company is licensed to do business. A review of examination reports (desk audit) is conducted on all foreign licensed insurers and surplus lines insurers doing

business in Minnesota. With regard to domestic companies, this activity conducts its own examinations. This activity attempts to ascertain if companies selling insurance in Minnesota have the assets available to pay claims made against their policies. A 1981 statute requiring all insurers to file certified financials and audited actuarial opinions has been implemented. This directive, to take place in 1989, has generated considerable controversy within the industry. If the industry succeeds in repealing the directive, this activity should expand its personnel complement by at least 25 examiners.

Finally, the Deputy Commissioner activity provides management direction and coordinates all activities of the program. This activity is responsible for all chartering and licensing activities of the program. Each application must be reviewed as to character, expertise, requirements of law, financial strength and public need. This activity is also responsible for all regulatory activity including administrative orders and agreements for financially troubled institutions. The Deputy Commissioner activity is also responsible to license new institutions.

BUDGET ISSUE:

The primary issue relates to the financial impact of the 1988 drought on agricultural banks. It is unknown at the time this narrative is drafted as to the extent of impact of the drought on farmers or further whether those farmers have a predominance of operational loans at state banks. By the time that the legislature convenes, however, the effect of the drought on state banks should be known. In the unlikely event that the drought has had a more adverse effect on those farmers who took operational loans, a more aggressive examination of rural banks may be necessary. Secondly, the legislative response to the 1988 drought may also have an impact on the Financial Examinations activity. For instance, if there is a change in the law with regard to Interest Buydown Programs, after-acquired liens, mortgage moratoriums, etc., the bank examiners may need to be more alert for conditions which might effect the solvency of a state bank.

A more long-term issue relates to the examination of insurance companies. This department has one of the smallest examination staffs in the country and has sought to remedy this deficiency by requiring each insurer to file an annual certified financial statement and to file on a biannual basis by an independent fellow actuary, a statement concerning the credibility of the company's reserves. It is believed that this requirement would be more accurate than the addition of 50 to 100 examiners. The insurance industry has balked at this requirement and there is some concern that the insurers may attempt to enact legislation which would nullify the requirement of a certified financial statement or an independent certification by an actuary. If such legislation is successful, or if the department's order which implements these requirements is challenged in the courts, the alternative of an increased examination staff must be pursued.

Another long-term issue relates to financial deregulation. If Congress should repeal the Glass-Steagall Act, and allow banks to operate insurance and securities operations on the premises, the department will have to change the format of examinations and probably have to increase the number of examinations. It is unknown as to the degree of instability that will occur if banks participate in these more speculative areas of investment. In large part it depends upon what is authorized by Congress and the legislature. In the event such authorization is enacted at either the state or federal level,

CHANGE REQUEST _____ Agency Program _____ Activity 1990-91 Biennial Budget

ACTIVITY: FINANCIAL EXAMINATIONS
 PROGRAM: FINANCIAL EXAMINATIONS
 AGENCY: COMMERCE, DEPARTMENT OF

REQUEST TITLE: EXAMINATION STAFF DECREASE

Agency Request	F.Y. 1990 (000's)		F.Y. 1991 (000's)	
	Amount	Positions	Amount	Positions
General Fund	\$(157)	(5.0)	\$(157)	(5.0)

Governor's Recommendation

General Fund	\$(157)	(5.0)	\$(157)	(5.0)
--------------	---------	-------	---------	-------

Request requires statutory change: _____ Yes No

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests a decrease in the number of positions required for the examination of state chartered financial institutions. This action is a result of computerization of the examination report process.

DESCRIPTION/BACKGROUND:

In fiscal year 1987 and 1988, this division purchased portable computer equipment for the field examination staff to automate examination reports. This action has demonstrated a more rapid turn-around time for field report preparation. As a result, there are more actual examination hours available per examiner to perform the task of examining institutions and less hours required for writing reports.

The overall effect of the purchase of computer equipment has proven a need for less examiners in the field. As a result, the agency is reducing the number of positions in its field staff by 5.0 positions and \$157,000, the cost of salaries and related expenditures for these 5.0 positions.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 142	\$ 157	\$ 157	\$ 157
General Fund Revenue	\$ (142)	\$ (157)	\$ (157)	\$ (157)

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 157	\$ 157	\$ 314
General Fund Revenue	\$ (157)	\$ (157)	\$(314)

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : FINANCIAL EXAMINATIONS

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
BANK EXAMINATIONS	2,388	2,435	2,541	<96>	2,445	2,445	2,541	<96>	2,445	2,445
P EXAMINATION STAFF DECREASE	GEN			<96>		<96>		<96>		<96>
DEP COM FIN EXAM	459	522	548	0	548	548	548	0	548	548
CREDIT UNIONS, CONSUMER CREDIT EXAMINATIONS	627	630	660	<61>	599	599	660	<61>	599	599
P EXAMINATION STAFF DECREASE	GEN			<61>		<61>		<61>		<61>
INSURANCE COMPANY EXAMINATIONS	683	715	741	0	741	741	741	0	741	741
INTEREST BUYDOWN	915	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	5,072	4,302	4,490	<157>	4,333	4,333	4,490	<157>	4,333	4,333
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	4,893	4,135	4,323	<157>	4,166	4,166	4,323	<157>	4,166	4,166
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	179	167	167	0	167	167	167	0	167	167
TOTAL FINANCING	5,072	4,302	4,490	<157>	4,333	4,333	4,490	<157>	4,333	4,333
POSITIONS BY FUND:										
GENERAL	102.0	102.0	102.0	<5.0>	97.0	97.0	102.0	<5.0>	97.0	97.0
TOTAL POSITIONS	102.0	102.0	102.0	<5.0>	97.0	97.0	102.0	<5.0>	97.0	97.0

ACTIVITY: BANK EXAMINATIONS
Program: FINANCIAL EXAMINATIONS
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

Revenue generated by this activity is through a process of examination fees charged for examiner's time spent in the institutions reviewing books and records and through assessments charged to the institutions for the operating cost of the division. This activity is totally self-supporting through fees and assessments to the regulated industry.

PURPOSE:

The main purpose of the bank examination activity is to maintain confidence of depositors, investors and borrowers as to the safety and soundness of state chartered banks, trust companies and other depository institutions. This is accomplished by a system of examinations of depository and financial institutions which include commercial banks, trust companies, savings banks, thrift companies and certificate investment companies as required by statute to determine that the institutions are safe, sound and operating according to law. On-site examinations and special examinations are conducted through 11 territorial divisions. These examiners produce comprehensive reports rating the institutions on standards from 1 to 5 for capital adequacy, asset quality, management, earnings and liquidity under the Uniform Bank Rating System (CAMEL RATING). Problems are addressed by a system of semi-formal and formal written understandings and orders addressing necessary remedial action. In addition to examinations, the staff reviews and analyzes call reports and other filings by institutions on a quarterly basis to assure on-going solvency of regulated institutions. All state banks are insured by the FDIC.

EFFECTIVENESS MEASURES: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

No. of institutions on the problem list as of 6/30 (CAMEL RATING 4 & 5)	57	46	40	34
Institutions added to problem list	18	18	12	12
Institutions deleted from problem list	29	29	18	18
% of problem list on formal or informal actions	95	95	95	95
Avg number of working days to process examination report	40	33	30	30

STATISTICS: F.Y. 1988 F.Y. 1989 F.Y. 1990 F.Y. 1991

Total assets of banks (billion dollars)	\$14.7	\$15.7	\$16.9	\$18
Number of examiners	49	47	46	45
Number of banks, trusts and other institutions	515	505	495	485
Number of detached facilities	195	215	225	235
Number of examinations	255	280	290	290
Financial and statistical reports processed	3,200	3,200	3,150	3,100

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated	\$ 2,825	\$ 3,226	\$ 3,387	\$ 3,590

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : FINANCIAL EXAMINATIONS
BUDGET ACTIVITY : BANK EXAMINATIONS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	2,065	2,106	2,212	<81>	2,131	2,131	2,212	<81>	2,131	2,131
EXPENSES/CONTRACTUAL SRVCS	8	8	8	0	8	8	8	0	8	8
MISC OPERATING EXPENSES	264	301	301	<15>	286	286	301	<15>	286	286
SUPPLIES/MATERIALS/PARTS	25	20	20	0	20	20	20	0	20	20
CAPITAL EQUIPMENT	26	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	2,388	2,435	2,541	<96>	2,445	2,445	2,541	<96>	2,445	2,445
CHANGE REQUESTS:	FUND									
P EXAMINATION STAFF DECREASE	GEN									
				<96>		<96>		<96>		<96>
TOTAL CHANGE REQUESTS				<96>		<96>		<96>		<96>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	2,388	2,435	2,541	<96>	2,445	2,445	2,541	<96>	2,445	2,445
TOTAL FINANCING	2,388	2,435	2,541	<96>	2,445	2,445	2,541	<96>	2,445	2,445
POSITIONS BY FUND:										
GENERAL	60.2	59.4	59.4	<3.0>	56.4	56.4	59.4	<3.0>	56.4	56.4
TOTAL POSITIONS	60.2	59.4	59.4	<3.0>	56.4	56.4	59.4	<3.0>	56.4	56.4

ACTIVITY: DEPUTY COMMISSIONER FINANCIAL EXAMINATIONS

1990-91 Biennial Budget

Program: FINANCIAL EXAMINATIONS

Agency: COMMERCE, DEPARTMENT OF

PURPOSE:

The purpose of this activity is to implement the priorities and standards of the financial examinations program and to provide the day-to-day management for the activities. This is accomplished through review of the examination reports of financial institutions, insurers and consumer credit licensees with emphasis on those institutions which are developing problems. Action proposed by this activity may include management letters, formal and informal memoranda and recommendations to the commissioner that violations or financial difficulties warrant an order to correct, suspend or close and liquidate the operation. Also, 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. These issues include: Will further instability of banks result due to volatility of bank investments and conflicts of interest regarding officials and other insiders? Will communities have less impact in obtaining local allocation of credit? What is proper response for the legislature and regulators to assure local reinvestment? With proper deregulation of bank products, what is responsibility of regulator and legislature to assure minimum access to basic financial institution services, e.g., lifeline accounts? With increased use of junk bonds and high risk investments, what limits should be imposed on amount and duration of such investments by insurance companies? What is responsibility of investments by insurance companies in the state? What is the effect of 1988 drought in financial stability of rural banks? What is the effect on banks of various relief proposals for agriculture, e.g., interest buydown, change in after-acquired lien law for succeeding crops, mortgage moratoriums, etc.? What is effect on state credit unions regarding federal position on sales tax, common bond, and tax exempt status? What is the proper staff complement to efficiently and effectively monitor insurers? What are privacy rights of depositors and borrowers regarding their personal information contained in credit files in financial institutions?

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of institutions and licensees on problem list	143	131	125	119
No. of institutions and licensees added to problem list	52	48	40	40
No. of institutions and licensees deleted from problem list	59	66	48	47
No. of management letters and informal memorandums	199	181	165	159
No. of Cease and Desist Orders	35	30	30	30
% of applications completed in 30 days from first day to act	90%	90%	90%	90%
% of examination reports transmitted within 60 days of close of examination	95%	100%	100%	100%
No. of schools attended by examiners	32	32	39	40

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Problem institutions reviewed during the year	235	210	195	190
Management conferences with financial institution officials	110	105	100	100
No. of consumer information and assistance requests	6,300	6,300	6,300	6,300
No. of financial institution and licensee applications	386	402	419	437
Instructural change submissions for review	1,170	1,143	1,173	1,211

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated	\$ 124	\$ 62	\$ 70	\$ 68

Revenue generated by this activity is non-dedicated to the General Fund and received by fees charged for processing licenses, applications and related filings for licensees.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : FINANCIAL EXAMINATIONS
BUDGET ACTIVITY : DEP COM FIN EXAM

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	430	502	528	0	528	528	528	0	528	528
EXPENSES/CONTRACTUAL SRVCS	10	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	13	14	14	0	14	14	14	0	14	14
SUPPLIES/MATERIALS/PARTS	6	6	6	0	6	6	6	0	6	6
TOTAL EXPENDITURES	459	522	548	0	548	548	548	0	548	548
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	459	522	548	0	548	548	548	0	548	548
TOTAL FINANCING	459	522	548	0	548	548	548	0	548	548
POSITIONS BY FUND:										
GENERAL	10.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0
TOTAL POSITIONS	10.0	12.0	12.0	0.0	12.0	12.0	12.0	0.0	12.0	12.0

ACTIVITY: CREDIT UNION, CONSUMER CREDIT EXAMINATIONS 1990-91 Biennial Budget
Program: FINANCIAL EXAMINATIONS
Agency: COMMERCE, DEPARTMENT OF

PURPOSE:

The purpose of this activity is to maintain public confidence in the safety and soundness of credit unions and consumer credit licensees. This objective is accomplished by conducting on-site examinations of all state chartered credit unions and consumer credit licensees to assure financial solvency and compliance with consumer protection laws. This activity performs on-site examinations, issues periodic financial and statistical reports and meets with officials of the institutions. 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 safe deposit box companies.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of credit unions on problem list (4 & 5 CAMEL RATING) as of 6/30	8	7	7	7
No. of credit unions added to problem list	3	3	3	3
No. of credit unions deleted from problem list	4	3	3	3
No. of consumer credit licensees on problem list - CRS 3,4 and 5 (includes no. of branches of one company)	39	32	30	30
No. of licensees added to problem list	14	10	8	9
No. of licensees deleted from problem list	10	17	10	9
Avg. number of days to process credit union examination reports	48	42	40	35
Avg. number of days to process compliance examination reports	35	30	25	25

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of credit unions	192	185	178	174
No. of credit union examinations	142	140	130	130
No. of compliance licensees	263	265	270	270
No. of compliance examinations	115	120	120	120
No. of financial and statistical reports processed	2,500	2,500	2,600	2,600
Total assets of credit unions (billion dollars)	\$1.6	\$1.9	\$2.1	\$2.4
No. of examiners	12	9	9	9

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
<u>Non-dedicated</u>	\$ 689	\$ 684	\$ 719	\$ 739

Revenue generated by this activity is through a process of examination fees charged for examiner's time spent in the institutions reviewing books and records and through assessments charged to the institutions for the operating cost of the division. This activity is totally self-supporting through fees and assessments.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : FINANCIAL EXAMINATIONS
BUDGET ACTIVITY : CREDIT UNIONS, CONSUMER CREDIT EXAMINATIONS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	563	550	580	<51>	529	529	580	<51>	529	529
EXPENSES/CONTRACTUAL SRVCS	2	3	3	0	3	3	3	0	3	3
MISC OPERATING EXPENSES	59	76	76	<10>	66	66	76	<10>	66	66
SUPPLIES/MATERIALS/PARTS	3	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	627	630	660	<61>	599	599	660	<61>	599	599
CHANGE REQUESTS:										
P EXAMINATION STAFF DECREASE				<61>		<61>		<61>		<61>
TOTAL CHANGE REQUESTS				<61>		<61>		<61>		<61>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	627	630	660	<61>	599	599	660	<61>	599	599
TOTAL FINANCING	627	630	660	<61>	599	599	660	<61>	599	599
POSITIONS BY FUND:										
GENERAL	16.8	16.6	16.6	<2.0>	14.6	14.6	16.6	<2.0>	14.6	14.6
TOTAL POSITIONS	16.8	16.6	16.6	<2.0>	14.6	14.6	16.6	<2.0>	14.6	14.6

ACTIVITY: INSURANCE COMPANY EXAMINATIONS **1990-91 Biennial Budget**
Program: FINANCIAL EXAMINATIONS
Agency: COMMERCE, DEPARTMENT OF

ces of the insurance examination revolving fund cancel to the General Fund at the end of every fiscal year.

PURPOSE:

The purpose of this activity is to maintain confidence in the solvency of insurers, to license insurers, and to financially review certain types of self-insurers. This activity conducts examinations of Minnesota based insurers. It also monitors the examination reports of domestic and foreign companies doing business in Minnesota. The examinations are designed to ascertain whether the business operation of the company may lead it to insolvency. The examination staff time is predominately expended at on-site examinations of domestic carriers and in participation of interstate examinations as members of a National Association of Insurance Commissioners (NAIC) examination team. In addition, the examiners summarize and review NAIC quarterly and annual financial statements. Finally, this activity recommends administrative remedial action with regard to problem companies.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of impaired insurers (domestic)	1%	1%	1%	1%
% of insurers in rehabilitation (domestic)	2%	2%	2%	2%
% of problem companies (license)	7%	7%	7%	7%

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Review of insurer annual statements	1,530	1,550	1,570	1,590
On-site financial exams	37	37	37	37
Acquisitions	4	4	4	4
Self-insurer financial review	160	170	180	190
Rehabilitations	3	3	3	3
Problem companies (CAMEL RATING 4&5)	78	78	78	78
No. of examiners	12	12	12	12

REVENUE:

This activity generates dedicated and non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 1,896	\$ 1,858	\$ 1,870	\$ 1,856
Dedicated - special	341	315	325	340
Total Revenue	\$ 2,237	\$ 2,173	\$ 2,195	\$ 2,196

The dedicated and non-dedicated revenue generated by this activity is from fees charged for the examination of insurance companies and fees charged for filings with relationship to insurance companies doing business in Minnesota. Non-dedicated receipts are deposited to the General Fund. Dedicated receipts are deposited to the insurance examination revolving fund. Unexpended bal-

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : FINANCIAL EXAMINATIONS
BUDGET ACTIVITY : INSURANCE COMPANY EXAMINATIONS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	471	518	544	0	544	544	544	0	544	544
EXPENSES/CONTRACTUAL SRVCS	86	53	53	0	53	53	53	0	53	53
MISC OPERATING EXPENSES	117	141	141	0	141	141	141	0	141	141
SUPPLIES/MATERIALS/PARTS	7	3	3	0	3	3	3	0	3	3
CAPITAL EQUIPMENT	2	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	683	715	741	0	741	741	741	0	741	741
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	504	548	574	0	574	574	574	0	574	574
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	179	167	167	0	167	167	167	0	167	167
TOTAL FINANCING	683	715	741	0	741	741	741	0	741	741
POSITIONS BY FUND:										
GENERAL	15.0	14.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0
TOTAL POSITIONS	15.0	14.0	14.0	0.0	14.0	14.0	14.0	0.0	14.0	14.0

ACTIVITY: INTEREST BUYDOWN
 Program: FINANCIAL EXAMINATIONS
 Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The Interest Buydown program was first established in 1985. It was established to provide interest subsidies to Minnesota farm operators who had a debt/asset ratio greater than 50%. The first year, the program had 2 operating programs for which a farmer could qualify. Program 1 provided a reduction of interest rates on existing classified farm operating and/or farm ownership loans. Program 2 was a blended interest buydown on new farm operating loans up to \$75,000 principal with the interest rate ending up between 7% and 10%.

The Interest Buydown program for 1986 also had 2 operating programs. Program 1 was exactly the same as the 1985 Program. Program 2 was a modified 1985 Program. The maximum loan amount was expanded to \$100,000 and the loan definition was expanded to include original, extended or renegotiated loans or lines of credit maturing prior to 7-1-87.

1987 was the third and final year of the Buydown program. Changes in this program from the previous year were that the State would contribute 2.8% of the interest rate for the first \$60,000 of operating loan with a maximum subsidy not to exceed \$2,520. While the Buydown program appeared to have a demonstrated effectiveness, it was determined not to continue the program for 1988.

<u>STATISTICS:</u>	<u>PROGRAM YEAR</u>	<u>1985</u>	<u>1986</u>	<u>1987</u>
Total dollar amt of interest subsidy paid	Program 1	\$196,117	\$11,169	\$132,189
	Program 2	\$2,304,482	\$4,913,027	\$6,284,375
Principal borrowed from Program 2 participants		\$101,918,660	\$106,693,958	\$231,161,699
Number of applications	Program 1	297	22	51
	Program 2	1,504	1,362	4,988
Average loan amount		\$47,654	\$68,134	\$51,522
Average interest rate	Program 1	13.66%	---	---
	Program 2	8.32%	13.07%	---
Average debt to asset ratio		72%	72%	72%

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : FINANCIAL EXAMINATIONS
BUDGET ACTIVITY : INTEREST BUYDOWN

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		

DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	90	0	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	9	0	0	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	1	0	0	0	0	0	0	0	0	0	0

STATE OPERATIONS	100	0	0	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	815	0	0	0	0	0	0	0	0	0	0

TOTAL EXPENDITURES	915	0	0	0	0	0	0	0	0	0	0

SOURCES OF FINANCING:											

DIRECT APPROPRIATIONS:											
GENERAL	915	0	0	0	0	0	0	0	0	0	0

TOTAL FINANCING	915	0	0	0	0	0	0	0	0	0	0

POSITIONS BY FUND:											

TOTAL POSITIONS											

PROGRAM: REGISTRATION AND ANALYSIS
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

The Registration and Analysis program has the responsibility to review all investment offerings and insurance policies offered to investors and insurance consumers in Minnesota. The program acts to limit the sale of illegal business investments to protect the public. The program also administers insurance laws and regulations to assure all property, casualty, life and health insurance policies sold in Minnesota are readable and supply the benefits stated in the policy or required by statute. Rates charged for policies are also reviewed to assure they are not excessive, inadequate or unfairly discriminatory. This program also administers unclaimed property laws to collect, monitor and distribute unclaimed property.

The overall objective of this program is to assure investments offered and insurance policies sold in Minnesota are fairly representative of the product offered and that the consumer receives the full benefits presented in the policy received.

OPERATION:

This program accomplishes its objective through four major activity areas; Registration, Unclaimed Property, Policy Form Analysis and Rate Review and the deputy commissioner's office.

The Registration activity examines applications for registration of common stock, limited partnerships, real estate, oil and gas, cattle and other syndications, subdivided land, time shares, resortminiums, franchises, corporate take-overs, mutual funds, preferred stock and debt securities. Filings are examined for compliance with merit and disclosure standards as required by law. This examination is made in an effort to protect the public from making an investment in an offering that does not have sufficient capital or assets to support the investment. Not all investment offerings can guarantee return on investment but by requiring this review, the state assures its citizens that approved registered offerings are what they are supposed to be.

The Unclaimed Property activity administers the laws to collect, monitor and distribute Unclaimed Property. Property holders report all Unclaimed Property to this activity and through process of advertising owner names and attempting to contact owners by mail, this activity is able to return the property to its rightful owners. An average of 7 million dollars worth of Unclaimed Property is reported annually with at least 50% being returned to the owner or their heirs.

The Policy Form Analysis and Rate Review activity reviews policy and rate forms for compliance with statutes and rules. The insurance industry continues to develop new products which this activity reviews to assure that consumers will receive the benefits represented in the policies. Recently we have experienced the need for stronger reviews as new methods of cost containment have had an effect on the accident/health insurance area, the confusion caused by claims made general liability policies and the changes in worker's compensation rating practices. The increase in the number of requests to be self-insurers has also created an increased workload for this activity.

The deputy commissioner's activity provides management, direction and coordinates all activities of this program. This activity provides the policy level administrative support and long-range planning for the entire Registration and Analysis program.

BUDGET ISSUE:

One issue relates to rate regulation. Should the legislature adopt rate regulation, the department should have at least one additional actuary and several analysts in place to review and approve rate filings. The department has proposed to standardize automobile and homeowners insurance forms. In the event that such authority is enacted, a temporary position or contract would have to be implemented to proceed with the drafting and implementation of such a policy. Another issue which has an effect, although nominal, on the budget of the department is "cutting edge" issues promoted in the securities industry concerning "insured" funds which are really not insured, questionable disclosure concerning the return on insurance products, a review of the privacy rights of policyholders vis a vis employers, insurers, agents, third-party administrators, etc.

In addition, a major issue relating to health coverage is the growing number of disputes that occur between providers, policyholders and insurers concerning coverage under the insurance contract. One of the department's proposals is the establishment of an arbiter's office. Should such an office be adopted there would need to be at least one or 2 personnel to resolve such disputes.

Finally, one of the concerns in the medical community relates to the review of Preferred Provider Organization contracts, which are agreements between insurers and medical providers concerning the amount of charges, retrospective review of claims, etc. Providers would like to have these contracts reviewed as to fairness. In the event such legislation were adopted, at least one person would be necessary to review such documentation.

EXPLANATION OF BUDGET REQUEST:

One CHANGE level is requested for the Unclaimed Property activity. \$110,000 is requested to contract for services to participate in a nationwide recovery network. The remainder of this program is requested at the BASE level of funding.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : REGISTRATION & ANALYSIS

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
REGISTRATION	376	436	459	0	459	459	459	0	459	459
DEP COMR REGIST & ANALYSIS	94	100	104	0	104	104	104	0	104	104
UNCLAIMED PROPERTY	336	382	395	55	450	450	395	55	450	450
B OUT OF STATE UNCLAIMED PROPERTY RECOVERY GEN CONTRACT				55		55		55		55
POLICY FORM ANALYSIS	847	811	850	0	850	850	850	0	850	850
TOTAL EXPENDITURES	1,653	1,729	1,808	55	1,863	1,863	1,808	55	1,863	1,863
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,653	1,729	1,808	55	1,863	1,863	1,808	55	1,863	1,863
TOTAL FINANCING	1,653	1,729	1,808	55	1,863	1,863	1,808	55	1,863	1,863
POSITIONS BY FUND:										
GENERAL	42.0	44.0	44.0	0.0	44.0	44.0	44.0	0.0	44.0	44.0
TOTAL POSITIONS	42.0	44.0	44.0	0.0	44.0	44.0	44.0	0.0	44.0	44.0

ACTIVITY: REGISTRATION
Program: REGISTRATION AND ANALYSIS
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

(Dollars in Thousands)

Type of Revenue	Actual	Estimate	Estimate	Estimate
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Non-dedicated	\$ 8,338	\$ 7,691	\$ 7,447	\$ 7,596

PURPOSE:

The purpose of the Registration activity is to limit the sale of illegal securities, franchises, subdivided land and corporate takeovers in Minnesota and to assist issuers in making registrations comply with the law. This is accomplished through a review process whereby this activity 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 and gas syndications, limited partnerships, preferred stock, debt securities, subdivided land, timeshares, mutual funds, investment trusts, franchises, and corporate takeovers. This activity administers a complex area of the law to ever-changing and creative financing arrangements involving new and innovative products. This activity is also responsible for updating regulations complimentary to Securities Exchange Commission (SEC) rules and other federal regulations, judicial decisions and uniform codes.

The non-dedicated revenue to the general fund is generated through fees charged for registration and filings. This activity totally recovers all associated and related costs.

This activity also 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 "watch-list" activities. The workload of this activity has substantially increased over the years in terms of legal issues. This is primarily due to a transfer of authority from the federal level to the states as a result of cutbacks at federal agencies such as the Securities Exchange Commission, the Commodities Futures Trading Commission and the Federal Trade Commission.

EFFECTIVENESS MEASURES:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of registrations initially found not in compliance with the law	50%	52%	55%	55%
No. of withdrawals or denials	448	450	500	500

STATISTICS:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Common stock registration	161	200	250	300
Private placement exemptions	443	500	750	850
Subdivided land registrations and exemptions	40	40	40	40
Franchise registrations	135	150	175	175
No. of annual reports on file	1,705	1,800	1,900	1,900
No. of limited partnerships	137	150	175	175
Mutual funds and unit investment trust registrations	707	725	725	725
Debt and preferred stock registrations	120	125	150	150

REVENUE:

This activity generates non-dedicated revenue.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : REGISTRATION & ANALYSIS
BUDGET ACTIVITY : REGISTRATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	336	398	421	0	421	421	421	0	421	421
EXPENSES/CONTRACTUAL SRVCS	5	8	8	0	8	8	8	0	8	8
MISC OPERATING EXPENSES	10	12	12	0	12	12	12	0	12	12
SUPPLIES/MATERIALS/PARTS	14	18	18	0	18	18	18	0	18	18
CAPITAL EQUIPMENT	11	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	376	436	459	0	459	459	459	0	459	459
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	376	436	459	0	459	459	459	0	459	459
TOTAL FINANCING	376	436	459	0	459	459	459	0	459	459
POSITIONS BY FUND:										
GENERAL	11.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0
TOTAL POSITIONS	11.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0

ACTIVITY: DEPUTY COMMISSIONER REGISTRATION AND ANALYSIS **1990-91 Biennial Budget**

Program: REGISTRATION AND ANALYSIS

Agency: COMMERCE, DEPARTMENT OF

PURPOSE:

The purpose of the deputy commissioner activity is to determine and coordinate the priorities, methods and standards used by the registration and analysis program and to provide the day-to-day management for the activities involved in the administration of this program. This is accomplished through the review of reports prepared by examiners on filings both for registration and policy analysis. Final decisions on investment offerings, policy filings and license applications are the responsibility of this activity. Discrepancies found in any material received is reviewed and disposition is determined by the deputy commissioner. Any formal administrative action is also generated by this activity.

This activity is also responsible to review, formulate and implement policy involving the rapidly changing issues of the financial and insurance market.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of policy and rate forms approved	12,100	14,000	14,000	15,000
No. of registrations approved	3,448	3,750	4,250	4,250
No. of license applications approved	12,842	13,000	14,000	14,000
No. of formal administrative actions taken	25	35	35	40

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of registrations reviewed	650	500	500	500
No. policy form or rate filings reviewed	---	350	400	400
No. of conferences with examiners or analysts	600	750	750	750
No. of license applications reviewed	50	55	55	55

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : REGISTRATION & ANALYSIS
BUDGET ACTIVITY : DEP COMR REGIST & ANALYSIS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	88	89	93	0	93	93	93	0	93	93
EXPENSES/CONTRACTUAL SRVCS	0	1	1	0	1	1	1	0	1	1
MISC OPERATING EXPENSES	3	6	6	0	6	6	6	0	6	6
SUPPLIES/MATERIALS/PARTS	3	4	4	0	4	4	4	0	4	4
TOTAL EXPENDITURES	94	100	104	0	104	104	104	0	104	104
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	94	100	104	0	104	104	104	0	104	104
TOTAL FINANCING	94	100	104	0	104	104	104	0	104	104
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

ACTIVITY: UNCLAIMED PROPERTY
Program: REGISTRATION AND ANALYSIS
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The purpose of the Unclaimed Property activity is to identify and return abandoned property held by financial institutions, insurance companies and corporations to the rightful owners or heirs. This is accomplished as a result of financial institutions, insurance companies and corporations doing business in the state being 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 department. The Unclaimed Property staff attempts to locate the owners of the property through advertisements, direct mail and active research. Aggressive research has been emphasized as an effective means of returning property to the owners. In an effort to simplify the Unclaimed Property reporting process, Minnesota has signed reciprocal agreements with other states, thus enabling holders to report to the state of their principal place of business.

EFFECTIVENESS MEASURES:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Unclaimed property reported	\$ 8,010	\$ 7,000	\$ 7,500	\$ 8,000
Amount of unclaimed property remitted to owners	\$ 4,018	\$ 3,570	\$ 3,900	\$ 4,240
Amount remitted to owners as % of amount reported	50%	51%	52%	53%

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of holders contacted	19,000	19,000	19,000	19,000
No. of owners advertised (amount over \$25.00)	22,693	21,000	21,500	22,000
No. of claims paid by Dept.	2,443	2,500	2,750	3,000

REVENUE:

This activity generates non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 5,486	\$ 5,016	\$ 5,019	\$ 5,019

The non-dedicated revenue generated by this activity to the general fund is a result of Unclaimed Property remitted from holders, payments of interest or dividends on stock certificates held and any fees that may be charged for an examination.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : REGISTRATION & ANALYSIS
BUDGET ACTIVITY : UNCLAIMED PROPERTY

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	175	207	220	0	220	220	220	0	220	220
EXPENSES/CONTRACTUAL SRVCS	129	156	156	55	211	211	156	55	211	211
MISC OPERATING EXPENSES	12	17	17	0	17	17	17	0	17	17
SUPPLIES/MATERIALS/PARTS	7	2	2	0	2	2	2	0	2	2
CAPITAL EQUIPMENT	13	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	336	382	395	55	450	450	395	55	450	450
CHANGE REQUESTS: FUND										
B OUT OF STATE UNCLAIMED PROPERTY RECOVERY GEN CONTRACT				55		55		55		55
TOTAL CHANGE REQUESTS				55		55		55		55
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	336	382	395	55	450	450	395	55	450	450
TOTAL FINANCING	336	382	395	55	450	450	395	55	450	450
POSITIONS BY FUND:										
GENERAL	7.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0
TOTAL POSITIONS	7.0	7.0	7.0	0.0	7.0	7.0	7.0	0.0	7.0	7.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: UNCLAIMED PROPERTY
 PROGRAM: REGISTRATION AND ANALYSIS
 AGENCY: COMMERCE, DEPARTMENT OF

REQUEST TITLE: OUT OF STATE UNCLAIMED PROPERTY RECOVERY CONTRACT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 55	-0-	\$ 55	-0-
Governor's Recommendation				
General Fund	\$ 55	-0-	\$ 55	-0-

Request requires statutory change: _____ Yes X No

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests an additional \$55,000 to enter into a consultant contract to participate in a nation-wide Unclaimed Property recovery program. Participation in this program is estimated to recover an additional \$400,000 of Unclaimed Property held outside of the state of Minnesota.

DESCRIPTION/BACKGROUND:

An Unclaimed Property recovery network has been established by which Unclaimed Property is recovered by a company on behalf of states that have entered into agreements for services. A nationwide recovery network is used to find Unclaimed Property held by companies located outside of Minnesota. The company finds, reports and remits the property to the State pursuant to the terms and conditions of the agreement and is paid a percentage of the total amount recovered. Without this agreement, Minnesota would not have the ability to recover this Unclaimed Property for Minnesota residents.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Additional unclaimed property reported	\$ 0	\$ 0	\$ 400	\$ 400
Amount returned to owners	\$ 0	\$ 0	\$ 200	\$ 200

RATIONALE:

The agency requests the additional funding to expand the effort made to identify and return unclaimed property to the rightful owners. This program has proven to be very successful in the states which have already entered into the agreements. The amount of money remitted to the General Fund far exceeds the cost of finding the funds.

The contract with the firm allows for the use of an existing network. If the state were to attempt to hire the necessary staff to recover the \$400,000 annually, the cost would far exceed the \$55,000 cost of the contract and we would not be able to benefit from the existing network.

BASE: None.

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 55	\$ 55	\$ 110
General Fund Revenue	400	400	800

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

ACTIVITY: POLICY FORM ANALYSIS AND RATE REVIEW **1990-91 Biennial Budget**
Program: REGISTRATION AND ANALYSIS
Agency: COMMERCE, DEPARTMENT OF

PURPOSE:

The purpose of this activity is to assure that insurance policies conform to applicable laws and that the uninsured have access to coverage through various assigned risk plans. This objective is accomplished through review of policy forms and rates that are required to be filed. This activity takes appropriate action on each filing as required by statute for that particular line of insurance. This activity also regulates the functions of various assigned risk plans and pools established to assure the uninsured will have adequate insurance coverage as required by law. These plans include; the Fair Plan, the Auto Plan, the Auto Assign Claims Plan, Comprehensive Health Association, the Worker's Compensation Assigned Risk Plan, the Joint Underwriting Association, the Worker's Compensation Insurers' Rating Association, the Medical Malpractice Insurance Plan, Liquor Liability Assigned Risk Plan, and the Self-Insurers Fund.

This activity also issues and administers licenses for non-profit risk indemnification trusts, self-insurance administrators, worker's compensation self-insurance, motor vehicle self-insurers, multiple employer trusts, property and casualty group self-insurance trusts and political subdivision self-insurance pools. Additionally, the activity is responsible to administer certain non-insurance functions such as auto warranty contracts and preferred provider organizations. Finally, this activity will also respond to consumer inquiries regarding insurance rates.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Policy and rate filings returned	1,300	1,400	1,500	1,600
Life/Health	550	600	650	700
Property/Casualty	710	720	750	800
Worker's Compensation	40	80	100	100
% of filings responded to within statutory time limits	90%	95%	95%	95%
% of licensed applications approved	85%	95%	95%	95%

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. filings submitted:	13,200	14,000	15,000	16,000
Life/Health	5,570	6,000	6,500	7,000
Property/Casualty	7,180	7,200	7,500	8,000
Worker's Compensation	450	800	1,000	1,000
Self-Insurance Administrator applications	100	135	140	140
Group Property/Casualty Self-Insurance license applications	0	5	5	5
Worker's Compensation Self-Insurance applications	155	175	200	200
Auto Self-Insurance applications	40	45	50	50
Political Subdivision applications	0	3	5	5
Consumer rate inquiries	700	800	1,000	1,000
Mult-Employer Trust filings	10	25	25	25

STATISTICS: (cont.)

Auto warranty filings	40	30	30	30
Preferred Provider Organization filings	50	50	50	50
Average number of days to respond to filings	30	25	25	25

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 1,152	\$ 1,106	\$ 1,106	\$ 1,104

The non-dedicated revenue generated by this activity to the general fund is through fees charged for filings of policy forms and rates and license fees charged for the various licenses for authority to do business in Minnesota.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : REGISTRATION & ANALYSIS
BUDGET ACTIVITY : POLICY FORM ANALYSIS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	723	750	789	0	789	789	789	0	789	789	
EXPENSES/CONTRACTUAL SRVCS	29	29	29	0	29	29	29	0	29	29	
MISC OPERATING EXPENSES	20	23	23	0	23	23	23	0	23	23	
SUPPLIES/MATERIALS/PARTS	22	9	9	0	9	9	9	0	9	9	
CAPITAL EQUIPMENT	53	0	0	0	0	0	0	0	0	0	
TOTAL EXPENDITURES	847	811	850	0	850	850	850	0	850	850	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	847	811	850	0	850	850	850	0	850	850	
TOTAL FINANCING	847	811	850	0	850	850	850	0	850	850	
POSITIONS BY FUND:											
GENERAL	22.0	22.0	22.0	0.0	22.0	22.0	22.0	0.0	22.0	22.0	
TOTAL POSITIONS	22.0	22.0	22.0	0.0	22.0	22.0	22.0	0.0	22.0	22.0	

PROGRAM: PETROLEUM TANK RELEASE CLEAN UP FUND 1990-91 Biennial Budget
Agency: COMMERCE, DEPARTMENT OF

PROGRAM PURPOSE:

The Petroleum Tank Release Clean Up Fund provides partial reimbursement to tank owners and operators for the cost of corrective action taken in response to a petroleum release. The reimbursement program was created to provide an incentive for the timely reporting of petroleum releases which may be hazardous to the public health and environment if left unreported. The program also assists tank owners who wish to cooperate and clean up a release but who otherwise may not have adequate financial resources to do so.

OPERATION:

The Petroleum Tank Release Clean Up Board administers the reimbursement fund and is staffed by the department. The board consists of 2 representatives of the petroleum industry and one representative of the insurance industry, all appointed by the Governor. The Minnesota Pollution Control Agency (MPCA) commissioner and the Commerce commissioner also serve on the board by virtue of their positions. The board's staff currently consists of an Executive Secretary who handles the day-to-day operations of the board. Tankowners who may be eligible to recover money from the fund contact the Executive Secretary to request an application form. Applications must be submitted 30 days before a scheduled board meeting in order to be considered at that meeting. Completed forms are submitted and reviewed for completeness. When the application is complete, a copy is forwarded to the MPCA for the commissioner's determination as to whether the corrective action has adequately addressed the release. The commissioner reports his determination to the board within 15 days of receiving the application. The commissioner also makes recommendations to the Board as to the applicant's compliance with the other statutory conditions for reimbursement. The board, after reviewing the recommendations of the MPCA and Executive Secretary, makes the decision as to whether an applicant should be reimbursed and the amount of the reimbursement based on their determination of eligible costs. Applicants are reimbursed 75% of their costs between \$10,000 and \$100,000.

BUDGET ISSUE:

There is some concern over the reimbursement formula, particularly the size of the deductible which is currently \$10,000. It may be advisable to lower the deductible and/or alter the 25/75 split to address the needs of small businesses and their limited financial resources. Petroleum industry representatives would also like to modify the reimbursement process to allow eligible persons to seek partial reimbursement at an earlier point in the clean up process to alleviate cash flow problems. In addition, the board should have greater flexibility with regard to penalizing individuals who have not complied fully with the conditions for reimbursement. In some circumstances, a reduced award seems appropriate whereas a complete denial does not.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Reimbursement applications	6	60	150	200
Reimb. applications approved	5	55	135	180
Reimb. applications denied	1	5	15	20
Total reimbursements (000's)	\$ 79	\$1,800	\$4,750	\$6,840

It is expected that the application flow will increase steadily in the coming months.

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the BASE level of effort for operating budget. The reimbursement for cleanup shows a large increase as it is anticipated that by 1990 the reimbursement program will be fully and effectively utilized.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : PETROLEUM TANK RELEASE CLEANUP FUND BOARD
BUDGET ACTIVITY : PETROLEUM TANK CLEANUP FUND

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	30	38	39	0	39	39	39	0	39	39
EXPENSES/CONTRACTUAL SRVCS	2	10	10	0	10	10	10	0	10	10
MISC OPERATING EXPENSES	80	1,804	4,754	0	4,754	4,754	6,844	0	6,844	6,844
SUPPLIES/MATERIALS/PARTS	4	3	3	0	3	3	3	0	3	3
CAPITAL EQUIPMENT	4	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	120	1,855	4,806	0	4,806	4,806	6,896	0	6,896	6,896
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
PETRO CLEANUP	41	55	56	0	56	56	56	0	56	56
STATUTORY APPROPRIATIONS:										
PETRO CLEANUP	79	1,800	4,750	0	4,750	4,750	6,840	0	6,840	6,840
TOTAL FINANCING	120	1,855	4,806	0	4,806	4,806	6,896	0	6,896	6,896
POSITIONS BY FUND:										
PETRO CLEANUP	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

PROGRAM: ADMINISTRATIVE SERVICES
 Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program is responsible to provide quality, cost-effective administrative support, fiscal services, personnel services, systems support, legal services and management and direction to the department. The assurance of proper and efficient allocation of human and fiscal resources is also provided by this program.

The primary goal is to provide cost-effective administration for all programs in the department. Finally, this program provides administrative support to the non-health licensing boards housed within the Department of Commerce.

OPERATION:

This program provides management and support services to the operating divisions in the department. This involves day-to-day administrative support to carry out the department's responsibilities and is accomplished by the administrative services activity. The components of that activity are Financial Management, Personnel and Procurement, Administrative Management, Data Processing, Legal Services and the Office of the Commissioner.

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 \$10 million. This involves implementing and monitoring financial planning and forecasting and continuously monitoring expenditure levels in the allocation of fees and assessments. Preparation of accounting reports for internal and external use and deposit of revenues collected by the department to the state general fund is also handled here. This area is also responsible for the preparation of the department's biennial budget. The administrative support provided includes the department's commonly used services of mail handling, receptionist, rent and photocopy machines.

Personnel and Procurement evaluates all applicants for classified positions, processes all personnel documents, handles training, job counseling, participates in labor relations activities and affirmative action activities. It is also responsible for the payroll, procurement and inventory functions of the agency.

Data processing coordinates all information system needs of the various divisions. The function involves development, maintenance and operation of in-house computer systems used to process licenses.

The Legal Services area of this program 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 include the Hearing Examiners, the Attorney General, the attendance of court reporters and preparation of transcripts. Formal hearings are required for charter applications for financial institutions, for rules and regulations promulgated under all regulatory programs, for violations of regulatory provisions

and for other matters defined by statute.

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.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of payments processed within 30 days	99%	98.7%	99%	100%
% of staff turnover	4%	4%	4%	5%
% of affirmative action goals met	50%	65%	75%	90%
Cost of agency operation per position (000's)	\$43	\$42	\$43	\$43

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of authorized positions				
Department of Commerce	241	241	241	241
Non-health Boards	15.5	15.5	15.5	15.5
No. of employees hired				
Permanent	11	10	12	14
Temporary	15	15	10	10
Total Agency budget (000's)				
Fund 10	\$ 9,837	\$ 9,697	\$ 9,956	\$ 9,978
Fund 15	41	55	55	55
Fund 20	426	409	409	409
Total	<u>\$10,304</u>	<u>\$10,161</u>	<u>\$10,420</u>	<u>\$10,442</u>

Total leased space (sq.ft.)	43,289	43,289	43,289	43,289
No. of exams administered	736	800	850	900

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the BASE level of effort.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

DATE: 12/28/88 - 03:53 PM

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : ADMINISTRATIVE SERVICES
BUDGET ACTIVITY : FINANCE & ADMINISTRATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	690	677	713	0	713	713	713	0	713	713
EXPENSES/CONTRACTUAL SRVCS	615	714	795	0	795	795	832	0	832	832
MISC OPERATING EXPENSES	28	56	56	0	56	56	56	0	56	56
SUPPLIES/MATERIALS/PARTS	15	23	23	0	23	23	23	0	23	23
CAPITAL EQUIPMENT	22	15	15	0	15	15	15	0	15	15

TOTAL EXPENDITURES	1,370	1,485	1,602	0	1,602	1,602	1,639	0	1,639	1,639

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
GENERAL	1,370	1,485	1,602	0	1,602	1,602	1,639	0	1,639	1,639

TOTAL FINANCING	1,370	1,485	1,602	0	1,602	1,602	1,639	0	1,639	1,639

POSITIONS BY FUND:										

GENERAL	22.0	21.0	21.0	0.0	21.0	21.0	21.0	0.0	21.0	21.0

TOTAL POSITIONS	22.0	21.0	21.0	0.0	21.0	21.0	21.0	0.0	21.0	21.0

PROGRAM: ENFORCEMENT AND LICENSING
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

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, banking, franchising and collection agencies. The program investigates complaints brought to its attention by the 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 regulated by this agency maintain a minimum standard of expertise and moral character.

OPERATION:

The division reviews and investigates approximately 10,000 written complaints and responds to approximately 45,000 telephone inquiries annually. The initiation of administrative proceedings against individuals and/or companies for statutory and regulatory violations and referral for prosecution of certain white collar crimes is also the responsibility of this program. This program licenses individuals in the area of securities, real estate, insurance, notary and cosmetology, participates in citizen awareness programs, monitors and approves education programs for licensees and processes financial reimbursement requests pursuant to the Real Estate Education Research and Recovery Act.

The investigation activity recovers \$5,000,000 annually to consumers. It also deters future misconduct by licensees. The enforcement activity is directly affected by changes in interest rates; changes in scope of regulation by other state and federal agencies; and changes in economic activity.

BUDGET ISSUES:

One issue is whether a consumer guide should be published that would list the "complaints per premium" volume for each insurer. Several states have used such guides, and there has been some interest by various Legislators and consumer activists in it. The department has not adopted such a guide, however, due to questions concerning accuracy of the information and due to the expense of publishing it. In the event that such a consumer guide legislation were adopted, the department would need funds to compile the data and publish it.

The department was authorized an appropriation two years ago to conduct a closed claim study with regard to various insurance companies. This study was the only study conducted in the country concerning an individual claim by claim review in various lines of insurance. The results of the study were startling in that the frequency and severity of claims were not anywhere near that claimed by the insurance industry. While the department did not seek a continuation of the program in its budget, it is believed that the long-term ramifications of the study are fruitful, serve the public interest and ought to be strongly considered to be continued.

Another issue relates to market conduct teams. The Legislative Auditor noted that department does not have market conduct teams to audit the claim and

underwriting files of insurance companies to determine whether they are selling insurance pursuant to the rates that are filed or whether they are processing claims pursuant to the law. Rather, the department uses its enforcement division to react to consumer complaints and attempt to resolve them on a claim by claim basis. The department has conducted a pilot project of using examiners to review claims files of companies which have generated a larger number of complaints with the department. In some cases these reviews have resulted in a finding of large scale infractions by insurers. The use of such a market conduct team would certainly be in the public interest and ought to be considered. Any budgetary cost of this team should be levied back to the industry through the revolving account of the department. In that respect, the cost of such a market conduct team should not affect the General Fund.

Other issues which have less budgetary impact relate to review of the current penalties levied against licensees. There is some belief that the current penalties are not severe enough. Unfortunately, the reason why the penalties are not as severe as normally would be appropriate is that the department does not have sufficient personnel to prosecute each case. Accordingly, a substantial number of the cases must be settled "out of court" with a more lenient penalty. A continuing form of budget activity which does have an impact on the department budget relates to the study of other professions which desire to be licensed. Over the last 2 years the following industries have asked for the department to draft legislation and to study the need for licensing of: mortgage lenders, developers, mortgage brokers, auctioneers and appraisers.

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the BASE level of effort.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : ENFORCEMENT & LICENSING

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
INVESTIGATIONS	1,376	1,465	1,411	0	1,411	1,411	1,411	0	1,411	1,411	
ENFORCEMENT DIRECTORS OFFICE	93	103	108	0	108	108	108	0	108	108	
LICENSING	1,289	1,049	1,088	0	1,088	1,088	1,089	0	1,089	1,089	
TOTAL EXPENDITURES	2,758	2,617	2,607	0	2,607	2,607	2,608	0	2,608	2,608	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,402	2,348	2,334	0	2,334	2,334	2,334	0	2,334	2,334	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	356	269	273	0	273	273	274	0	274	274	
TOTAL FINANCING	2,758	2,617	2,607	0	2,607	2,607	2,608	0	2,608	2,608	
POSITIONS BY FUND:											
GENERAL	70.0	69.0	63.0	0.0	63.0	63.0	63.0	0.0	63.0	63.0	
SPECIAL REVENUE	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0	
TOTAL POSITIONS	73.0	72.0	66.0	0.0	66.0	66.0	66.0	0.0	66.0	66.0	

ACTIVITY: INVESTIGATIONS
Program: ENFORCEMENT AND LICENSING
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

The non-dedicated revenue to the General Fund generated by this activity is a result of fines and penalties levied that have been paid.

PURPOSE:

The principal purpose of the investigation activity is to enforce ethical conduct as set by statute and regulation and provide public assistance regarding licensees. This activity receives approximately 10,000 annual written and telephone complaints 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. The investigation activity 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.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of Cease & Desist Orders	102	110	113	113
No. of Administrative Proceedings	144	156	164	164
No. of Revocations	48	52	54	54
No. of Suspensions	68	73	75	75
No. of Censures	13	14	14	14
No. of Consent Orders	155	167	172	172
No. of cases referred for criminal prosecution	30	33	35	35
No. of cases resolved	9,925	10,669	10,989	10,989
Amount of money returned to citizens due to division involvement (000's)	\$4,189	\$5,000	\$5,000	\$5,000

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Average monthly caseload per investigator	52	56	55	55
No. of cases opened	9,674	10,448	10,761	10,761
No. of cases closed	9,925	10,669	10,989	10,989
No. of uncompleted investigations carried into the next year	1,475	1,254	1,033	1,033
No. of informal warnings	168	181	186	186
Amount of fines and penalties levied	\$28,700	\$75,000	\$50,000	\$50,000
No. of disciplinary sanctions imposed	231	249	256	256
No. of written informational inquiries	1,144	1,258	1,383	1,521

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual F.Y. 1988</u>	<u>Estimate F.Y. 1989</u>	<u>Estimate F.Y. 1990</u>	<u>Estimate F.Y. 1991</u>
Non-dedicated	\$ 58	\$ 27	\$ 38	\$ 36

DATE: 12/28/88 - 03:53 PM

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : ENFORCEMENT & LICENSING
BUDGET ACTIVITY : INVESTIGATIONS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,221	1,301	1,283	0	1,283	1,283	1,283	0	1,283	1,283
EXPENSES/CONTRACTUAL SRVCS	68	38	32	0	32	32	32	0	32	32
MISC OPERATING EXPENSES	67	99	76	0	76	76	76	0	76	76
SUPPLIES/MATERIALS/PARTS	19	27	20	0	20	20	20	0	20	20
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	1,376	1,465	1,411	0	1,411	1,411	1,411	0	1,411	1,411
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,376	1,465	1,411	0	1,411	1,411	1,411	0	1,411	1,411
TOTAL FINANCING	1,376	1,465	1,411	0	1,411	1,411	1,411	0	1,411	1,411
POSITIONS BY FUND:										
GENERAL	47.0	45.0	39.0	0.0	39.0	39.0	39.0	0.0	39.0	39.0
TOTAL POSITIONS	47.0	45.0	39.0	0.0	39.0	39.0	39.0	0.0	39.0	39.0

ACTIVITY: ENFORCEMENT DIRECTOR'S OFFICE
Program: ENFORCEMENT AND LICENSING
Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The purpose of the Enforcement Director's Office is to determine and coordinate the priorities, methods and standards used by the Enforcement and Licensing program and to provide the day-to-day management for the activities involved in the administration of this program. The Enforcement Director is responsible for developing and implementing this program to insure consistent, fair, equitable and efficient regulation of the industries under the jurisdiction of the department. The director's office activity is also responsible for establishing and maintaining certain basic protections for citizens who interact with these industries. The director reviews all major investigations of alleged misconduct and then assigns these cases to the various investigation teams. The director recommends the type, extent and severity of disciplinary sanctions to be imposed.

This activity is also responsible for the assurance that those who become licensed to do business in one of the industries regulated by the department meet certain standards and criteria for licensure.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of Consent Orders	155	167	172	172
No. of Administrative Proceedings completed	144	156	161	161
No. of cases assigned	9,674	10,254	10,834	10,834
No. of licenses issued				

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of informal warnings	168	181	186	186
No. of disciplinary sanctions	231	249	256	256
No. of license applications				
No. of cases opened	9,674	10,448	10,761	10,761

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : ENFORCEMENT & LICENSING
BUDGET ACTIVITY : ENFORCEMENT DIRCETORS OFFICE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	86	96	101	0	101	101	101	0	101	101
EXPENSES/CONTRACTUAL SRVCS	1	1	1	0	1	1	1	0	1	1
MISC OPERATING EXPENSES	2	2	2	0	2	2	2	0	2	2
SUPPLIES/MATERIALS/PARTS	4	4	4	0	4	4	4	0	4	4
TOTAL EXPENDITURES	93	103	108	0	108	108	108	0	108	108
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	93	103	108	0	108	108	108	0	108	108
TOTAL FINANCING	93	103	108	0	108	108	108	0	108	108
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
TOTAL POSITIONS	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0

ACTIVITY: LICENSING
 Program: ENFORCEMENT AND LICENSING
 Agency: COMMERCE, DEPARTMENT OF

1990-91 Biennial Budget

PURPOSE:

The purpose of the licensing activity is to assure that initial and renewal licensees meet applicable standards of expertise and character, to review and approve both initial and continuing education programs and to assure consumer protection through the enforcement of statutes and regulations relating to the regulated industries. This is accomplished through a process of application and examination for licensing of securities broker dealers and agents, real estate brokers and salespersons, subdivided land agents, campground membership brokers and salespersons, insurance adjustors, notaries, 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.

This activity also receives written and oral complaints and/or requests for information regarding these industries and licensees. The activity is also responsible for the inspection of all cosmetology schools and facilities and certification of training programs offered at these school facilities within the state.

Both the initial and continuing real estate, insurance and cosmetology education programs are administered within the scope of this activity. School and course applications are reviewed for compliance with statutory requirements.

EFFECTIVENESS MEASURES:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
% of license applications approved				
Real Estate	85%	85%	90%	90%
Insurance	80%	80%	85%	90%
Cosmetology	85%	90%	90%	90%
% of renewed licenses issued				
Real Estate	90%	95%	95%	95%
Insurance	85%	85%	90%	90%
Cosmetology	85%	90%	90%	95%
No. of approved continuing education courses				
Real Estate	1,800	2,100	2,400	2,700
Insurance	4,100	4,500	4,900	5,200
Cosmetology	225	325	425	500
No. of initial education courses				
Real Estate	330	340	350	360
Insurance	200	210	220	230
Cosmetology	43	44	45	46
No. of cosmetology facilities passing inspection	6,550	7,050	7,500	8,050

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Securities				
New licenses	12,777	10,160	11,175	12,190
Renewal licenses	27,871	28,000	29,000	30,000
Real Estate				
New licenses and transfers	10,000	10,000	10,000	10,000
Renewal licenses	24,000	23,000	23,000	23,000
Approved education courses	1,800	2,100	2,400	2,700
Insurance				
New licenses & additional lines	8,500	8,500	9,000	9,000
Renewal licenses	30,000	30,500	31,000	32,000
Approved education courses	4,100	4,500	4,900	5,200
Cosmetology				
New licenses	2,400	2,500	2,600	2,700
Renewal licenses*	7,000	8,500	8,000	8,000
Approved education courses	225	325	425	500
No. of site inspections completed	6,500	7,000	7,500	8,000
No. of investigations of cosmetology complaints	65	70	75	80
Collection Agents				
New licenses	1,663	900	1,000	1,000
Renewal licenses	0	1,253	1,300	1,350
Collection Agencies				
New licenses	23	30	40	40
Renewal licenses	163	157	165	175
Adjustors				
New licenses	30	25	25	25
Renewal licenses	400	400	400	400
Campground Sales				
New licenses	16	15	15	15
Renewal licenses	8	5	5	5
Investment Advisors				
New licenses	65	65	75	75
Notaries	65,000	70,000	75,000	80,000

*Cosmetology licenses are issued for 3 years. Approximately one-third of the licensees renew annually.

REVENUE: This activity generates dedicated and non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 3,096	\$ 2,825	\$ 2,824	\$ 2,831
Dedicated-special	421	385	398	411
Total Revenue	\$ 3,517	\$ 3,210	\$ 3,222	\$ 3,242

The non-dedicated revenue generated by this activity is for fees charged for license transactions. The dedicated revenue is for fees charged for the Real Estate Education Research and Recovery Fund.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMERCE, DEPT OF
PROGRAM : ENFORCEMENT & LICENSING
BUDGET ACTIVITY : LICENSING

EXPENDITURES:	F.Y. 1990					F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	661	668	705	0	705	705	705	0	705	705
EXPENSES/CONTRACTUAL SRVCS	192	189	191	0	191	191	192	0	192	192
MISC OPERATING EXPENSES	115	144	144	0	144	144	144	0	144	144
SUPPLIES/MATERIALS/PARTS	43	21	21	0	21	21	21	0	21	21
CAPITAL EQUIPMENT	169	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	8	7	7	0	7	7	7	0	7	7
STATE OPERATIONS	1,188	1,029	1,068	0	1,068	1,068	1,069	0	1,069	1,069
AIDS TO INDIVIDUALS	91	0	0	0	0	0	0	0	0	0
LOCAL ASSISTANCE	10	20	20	0	20	20	20	0	20	20
TOTAL EXPENDITURES	1,289	1,049	1,088	0	1,088	1,088	1,089	0	1,089	1,089
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	933	780	815	0	815	815	815	0	815	815
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	356	269	273	0	273	273	274	0	274	274
TOTAL FINANCING	1,289	1,049	1,088	0	1,088	1,088	1,089	0	1,089	1,089
POSITIONS BY FUND:										
GENERAL	21.0	22.0	22.0	0.0	22.0	22.0	22.0	0.0	22.0	22.0
SPECIAL REVENUE	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TOTAL POSITIONS	24.0	25.0	25.0	0.0	25.0	25.0	25.0	0.0	25.0	25.0

AGENCY: ABSTRACTORS, BOARD OF

1990-91 Biennial Budget

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.

OPERATIONS 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.

Currently, there is no formal education program for training to become an abstractor. As a result, the board is proposing to develop a plan for a course curriculum for initial education for the abstracting profession. This proposal is submitting as a CHANGE level to this budget request.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of examinations given	60	100	90	90
No. of examinees passing examination	46	60	55	55
No. of renewed licenses	313	350	350	350
No. of written complaints	4	5	8	10
No. of telephone inquiries	600	500	500	500
No. of written inquiries	75	70	70	70

ATTORNEY GENERAL COSTS:

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Agency Request</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees for Legal Services Rendered				
Fees Assessed	\$ -0-	\$ 1	\$ 1	\$ 1
Fees Paid	-0-	-0-	-0-	-0-
Requested Budget	-0-	-0-	-0-	-0-

Attorney General Costs are indirect costs which are recovered through fees.

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated	\$ 22	\$ 20	\$ 21	\$ 21

Non-dedicated revenue is generated by fees charged for examinations and licenses.

EXPLANATION OF BUDGET REQUEST:

Budget requested includes one CHANGE level request for initial education curriculum development and executive secretary fees. The remainder of the budget is to continue the BASE level of effort.

<u>INDEX</u>	<u>(Dollars in Thousands)</u>		<u>Page</u>
	<u>Agency Request</u>	<u>Governor's</u>	
	<u>1990-91 Biennium</u>	<u>1990-91 Biennium</u>	
	<u>All Funds</u>	<u>All Funds</u>	
BASE Level Request	\$ 8	\$ 8	
Agency-wide CHANGE Requests	9	9	3
AGENCY Total	\$ 17	\$ 17	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BOARD OF ABSTRACTORS
PROGRAM : ABSTRACTORS BOARD
BUDGET ACTIVITY : ABSTRACTORS

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	0	1	1	0	1	1	1	0	1	1	
EXPENSES/CONTRACTUAL SRVCS	2	2	2	5	7	7	2	4	6	6	
MISC OPERATING EXPENSES	1	1	1	0	1	1	1	0	1	1	
TOTAL EXPENDITURES	3	4	4	5	9	9	4	4	8	8	
CHANGE REQUESTS:											
FUND											
B INITIAL EDUCATION CURRICULUM, EXECUTIVE GEN SECRETARY				5		5		4		4	
TOTAL CHANGE REQUESTS				5		5		4		4	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	3	4	4	5	9	9	4	4	8	8	
TOTAL FINANCING	3	4	4	5	9	9	4	4	8	8	
POSITIONS BY FUND:											
TOTAL POSITIONS											

CHANGE REQUEST X Agency Program Activity 1990-91 Biennial Budget

ACTIVITY: ABSTRACTORS, BOARD OF
 PROGRAM: ABSTRACTORS, BOARD OF
 AGENCY: ABSTRACTORS, BOARD OF

REQUEST TITLE: INITIAL EDUCATION CURRICULUM DEVELOPMENT/EXECUTIVE SECRETARY FEES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 5	-0-	\$ 4	-0-

Governor's Recommendation

General Fund	\$ 5	-0-	\$ 4	-0-
--------------	------	-----	------	-----

Request requires statutory change: Yes X No

STATEMENT OF REQUEST/OBJECTIVE:

Request is to increase the amount currently paid on a contract basis to the Executive Secretary and to develop a course curriculum for initial education so Abstractors will have a formal training program.

DESCRIPTION/BACKGROUND:

The Abstractors Board does not have a full time staff. Executive Secretary services have been performed on a contract basis. The board requests funding to increase the amount of the contract from \$2,000 to \$3,500.

The board also requests increased funding to develop a course curriculum for initial education for the abstracting profession in conjunction with the Northeast Metro Technical Institute. The board has identified the particular need for a formal education program to qualify candidates for licensure in this state. The only method for qualifying candidates at this time is on-the-job training. The board feels a formal training program must be developed and implemented as a requirement for licensure.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Initial applications for license	60	100	90	90

RATIONALE:

The need has been demonstrated to assure that the Abstractor who provides a service to the public is well qualified. As a result, the board has pursued the idea of curriculum development and formal training as the best option available to assure all individuals entering the profession have the same basic training.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 2	\$ 2	\$ 2	\$ 2

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1992	TOTAL
General Fund Expenditures	\$ 2	\$ 2	\$ 4

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: BARBERS, BOARD OF
 PROGRAM: BARBERS, BOARD OF
 AGENCY: BARBERS, BOARD OF

REQUEST TITLE: BASE REDUCTION

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Governor's Recommendation				
General Fund	\$ (20)	(.5)	\$ (20)	(.5)

Request requires statutory change: _____ Yes X No
 Statutes Affected:

GOVERNOR'S RECOMMENDATION:

The Governor recommends the above reduction to assure that program costs can be recovered within the current fee structure.

DESCRIPTION/BACKGROUND:

M.S. 16A.128 requires that fees be set to recover all costs, including statewide indirect costs, attorney general costs and indirect general support costs. The fees set by the Barbers' board are not projected to recover these costs for the 1990-91 biennium:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Agency Direct Costs	\$ 131	\$ 143	\$ 147	\$ 147
Estimated Salary Supplement			2	3
Attorney General Costs	2	2	2	2
Statewide Indirect Costs	4	4	4	4
Commerce Indirect Costs	8	8	9	9
Total Costs	\$ 145	\$ 157	\$ 164	\$ 165
Less: Anticipated Receipts	(146)	(144)	(144)	(145)
Difference	\$ 1	\$ (13)	\$ (20)	\$ (20)

RATIONALE:

The last fee increase recommended by the Barbers' board went into effect on 12-31-87. The board has decided not to recommend another fee increase for the 1990-91 biennium. Instead, the board has taken steps to reduce its costs by not filling 1 of its 3 complement positions. The Governor now recommends that the appropriation be reduced accordingly.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Gen Fund Expenditures	\$ 131	\$ 143	\$ 147	\$ 147

LONG RANGE IMPLICATIONS:

General Fund Expenditures

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ (20)	\$ (20)	\$ (40)

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BRD OF BARBERS EXAM
PROGRAM : BARBERS BOARD
BUDGET ACTIVITY : BARBERS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	99	115	118	0	118	98	118	0	118	98
EXPENSES/CONTRACTUAL SRVCS	9	12	13	0	13	13	13	0	13	13
MISC OPERATING EXPENSES	22	15	15	0	15	15	15	0	15	15
SUPPLIES/MATERIALS/PARTS	1	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	131	143	147	0	147	127	147	0	147	127
CHANGE REQUESTS: FUND										
B BASE REDUCTION				0		<20>		0		<20>
TOTAL CHANGE REQUESTS				0		<20>		0		<20>
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	131	143	147	0	147	127	147	0	147	127
TOTAL FINANCING	131	143	147	0	147	127	147	0	147	127
POSITIONS BY FUND:										
GENERAL	3.0	3.0	3.0	0.0	3.0	2.5	3.0	0.0	3.0	2.5
TOTAL POSITIONS	3.0	3.0	3.0	0.0	3.0	2.5	3.0	0.0	3.0	2.5

AGENCY: BARBERS, BOARD OF

1990-91 Biennial Budget

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.

OPERATIONS 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 exams 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.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% shops/schools inspected	97.5%	98%	98%	99%
% sanitary compliance	96.5%	97%	97.5%	98%
% violations corrected	98%	98.5%	98.5%	99%
% complaints resolved	94%	95.5%	95.5%	97%
% suspensions/license revocations	.06%	.06%	.06%	.06%

<u>ACTIVITY STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Student permits	87	90	95	100
No. of licenses issued	4,514	4,442	4,497	4,527
No. of inspections	1,359	1,400	1,415	1,430
No. of violations	215	220	235	240
No. of complaints	30	35	45	50
No. of examinations	162	166	170	175
No. of shops	1,268	1,290	1,295	1,295
No. of schools	5	5	5	5

<u>ATTORNEY GENERAL COSTS:</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Agency Request</u>	
<u>Fees for Legal Services Rendered</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed	\$ 2	\$ 2	\$ 2	\$ 2
Fees Paid	-0-	-0-	-0-	-0-
Requested Budget	-0-	-0-	-0-	-0-

Attorney General costs are indirect costs which are recovered through license fees

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated	\$ 146	\$ 144	\$ 144	\$ 145

Non-dedicated revenue is generated by fees charged for examinations and licenses.

EXPLANATION OF BUDGET REQUEST:

Budget requested is to continue the BASE level of effort.

<u>INDEX</u>	<u>(Dollars in Thousands)</u>		<u>Page</u>
	<u>Agency Request</u>	<u>Governor's</u>	
	<u>1990-91 Biennium</u>	<u>1990-91 Biennium</u>	
	<u>All Funds</u>	<u>All Funds</u>	
BASE Level Request	\$ 294	\$ 294	
Activity CHANGE Request			
Base Reduction	-0-	(40)	11
Agency Total	\$ 294	\$ 254	

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$40,000 and .5 positions to assure that program costs can be recovered within the current fee structure.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE
 PROGRAM: ARCHITECTURE, ENGINEERING, LAND SURVEYING AND LANDSCAPE
 AGENCY: ARCHITECTURE, BOARD OF

REQUEST TITLE: ADDITIONAL STAFFING AND OPERATING FUNDS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 31	.5	\$ 22	.5
Governor's Recommendation				
General Fund	\$ 31	.5	\$ 22	.5

Request requires statutory change: Yes No

STATEMENT OF REQUEST/OBJECTIVE:

The board is now understaffed by 1,500 person hours. Placement of one half-time position will enable the board to better meet its time requirements for response to queries. Guidelines set by the Legislative Auditor have created a significant increase in the workload of processing and accounting for receipts. Additional board members need more training to make them more effective in regulating four professions.

DESCRIPTION/BACKGROUND:

Significant record keeping requirements imposed by the Legislative Auditor have more than doubled the workload encountered in processing renewal license applications. Records must be kept showing that licensees were sent renewal notices, the date the license fee was received and the date the renewal license was mailed. In addition, the person who opens the mail and prepares receipts for delivery to the Department of Commerce cashier cannot be the person who checks deposit listings to ensure that all receipts were deposited to the proper code. We are asking for an additional \$3,000 to add to the currently authorized \$2,000 to provide \$5,000 for part-time seasonal help to process renewal license applications and receipts. We also seek \$10,750 for an additional half-time clerical position to enable board staff to remain more current in the processing of renewal license requests as well as to assist in processing examination applications. \$2,000 in additional funding is requested for board per diem. Additional committee and section meetings require additional funding for this purpose. An additional \$840 for F.Y. 1990 and \$4,000 for F.Y. 1991 is requested for additional examination costs. \$200 for F.Y. 1990 and \$300 for F.Y. 1991 is required to cover the increased fees for membership in the Council of Landscape Architectural Registration boards. \$2,000 is requested for board member training and out-of-state travel for each year of the biennium. \$12,000 is requested for F.Y. 1990 to upgrade our personal computer system so that we may issue our own licenses.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
License renewals	10,400	---	10,800	---
Receipt to license	4 weeks		2 weeks	

RATIONALE:

The purpose of the board is to safeguard the public life, health and property and to promote the public welfare. This can best be done by serving our clientele in a timely manner. Our licensees, our applicants and the general public deserve prompt responses to their questions.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 358	\$ 372	\$ 380	\$ 380
General Fund Positions	6.0	6.0	6.0	6.0

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	TOTAL
General Fund Expenditures	\$ 22	\$ 22	44
General Fund Positions	.5	.5	.5

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BRD OF ARCHIT/ENGRNG
PROGRAM : AELSLA BOARD
BUDGET ACTIVITY : AELSLA

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	175	206	211	16	227	227	211	16	227	227	
EXPENSES/CONTRACTUAL SRVCS	53	62	65	0	65	65	66	0	66	66	
MISC OPERATING EXPENSES	42	38	38	2	40	40	38	2	40	40	
SUPPLIES/MATERIALS/PARTS	79	61	61	1	62	62	61	4	65	65	
CAPITAL EQUIPMENT	9	5	5	12	17	17	5	0	5	5	
TOTAL EXPENDITURES	358	372	380	31	411	411	381	22	403	403	
CHANGE REQUESTS: FUND											
B VARIOUS BUDGET INCREASES				31		31		22		22	
TOTAL CHANGE REQUESTS				31		31		22		22	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	358	372	380	31	411	411	381	22	403	403	
TOTAL FINANCING	358	372	380	31	411	411	381	22	403	403	
POSITIONS BY FUND:											
GENERAL	6.0	6.0	6.0	0.5	6.5	6.5	6.0	0.5	6.5	6.5	
TOTAL POSITIONS	6.0	6.0	6.0	0.5	6.5	6.5	6.0	0.5	6.5	6.5	

AGENCY: ARCHITECTURE, ENGINEERING, LAND SURVEYING
AND LANDSCAPE ARCHITECTURE, BOARD OF 1990-91 Biennial Budget

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.

OPERATIONS 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:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
New Licenses issued				
Architects	169	160	160	160
Professional Engineers	467	420	380	380
Land Surveyors	7	7	7	7
Landscape Architects	16	15	15	15
Total Licensees				
Architects	2,616	2,350	2,510	2,450
Professional Engineers	8,141	7,400	7,780	7,800
Land Surveyors	428	400	407	402
Landscape Architects	275	240	255	261
Complaints filed	29	40	40	50
Complaints resolved	44	45	45	45

ATTORNEY GENERAL COSTS:	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Agency Request F.Y. 1990 F.Y. 1991	
Fees for Legal Services Rendered				
Fees Assessed	\$ 8	\$ 17	\$ 18	\$ 19
Fees Paid	-0-	-0-	-0-	-0-
Requested Budget	-0-	-0-	-0-	-0-

REVENUE:

This activity generates non-dedicated revenue.

Attorney General costs are indirect costs which are recovered through fees.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 589	\$ 210	\$ 634	\$ 172

Non-dedicated revenue is generated by fees charged for examinations and licenses. The board recommends that license and examination fees be increased to fully recover costs for the 1990-91 biennium.

EXPLANATION OF BUDGET REQUEST:

The board is requesting an increase of \$31,000 in F.Y. 1990 and \$22,000 in F.Y. 1991 to hire an additional half-time clerical staff person; to increase the amount for temporary hire for license renewal processing from \$2,000 to \$5,000; to increase the amount to cover board member per diem by \$2,000 each year of the biennium; to cover an \$18.00 per examination increase for landscape architects each year of the biennium; to cover a cost of \$30.00 per examination for Special Structural Examination I and \$80.00 for Special Structural Examination II; to cover increased fees for board membership in the Council of Landscape Architectural Registration boards; to cover the purchase of an IBM System 2 PC with 4 remote stations and software; and to cover increased cost of sending board members to training meetings sponsored by the 3 councils in which the board maintains membership in order to purchase national examinations.

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium All Funds	Governor's Recommendation 1990-91 Biennium All Funds	
BASE Level Request	\$ 761	\$ 761	
Agency CHANGE Request	\$ 53	\$ 53	8
AGENCY Total	\$ 814	\$ 814	

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BRD OF ACCOUNTANCY
PROGRAM : ACCOUNTANCY BOARD
BUDGET ACTIVITY : ACCOUNTANCY

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	123	156	159	0	159	159	159	0	159	159
EXPENSES/CONTRACTUAL SRVCS	48	40	43	0	43	43	43	0	43	43
MISC OPERATING EXPENSES	23	24	24	0	24	24	24	0	24	24
SUPPLIES/MATERIALS/PARTS	121	132	132	0	132	132	132	0	132	132
CAPITAL EQUIPMENT	1	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	316	352	358	0	358	358	358	0	358	358
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	316	352	358	0	358	358	358	0	358	358
TOTAL FINANCING	316	352	358	0	358	358	358	0	358	358
POSITIONS BY FUND:										
GENERAL	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0
TOTAL POSITIONS	5.0	5.0	5.0	0.0	5.0	5.0	5.0	0.0	5.0	5.0

AGENCY: ACCOUNTANCY, BOARD OF

1990-91 Biennial Budget

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.

OPERATIONS AND CLIENTELE:

M.S. 326.165 to 326.231 mandate that the board of Accountancy license and regulate Certified Public Accountants (CPAs), 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 exam; and administers the exam twice a year. The board also administers an Ethics Exam to CPA exam passing candidates. Candidates who pass both exams 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.

ACTIVITY STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
CPA Exam Applicants	2,099	2,100	2,155	2,220
CPA Exam Candidates	1,723	1,774	1,827	1,881
Certificates Issued	680	710	730	750
CPA New Licenses	421	434	447	460
Total Individual Licenses	9,000	9,063	9,144	9,225
Firm Licenses	448	456	465	474
CPE Reports Reviewed	1,500	1,525	3,050	1,550
Late Renewals	1,045	532	272	142
Licensure Verifications	3,025	3,175	3,330	3,500
Complaints Filed	67	70	75	80
Requests for Information (phone/mail)	6,000	6,200	6,300	6,500

ATTORNEY GENERAL COSTS:

	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Agency Request</u>	
<u>Fees for Legal Services Rendered</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed	\$ 25	\$ 26	\$ 26	\$ 27
Fees Paid	-0-	-0-	-0-	-0-
Requested Budget	-0-	-0-	-0-	-0-

Attorney General costs are included as indirect costs when comparing cost to revenue and as part of the fee review.

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated	\$ 437	\$ 435	\$ 438	\$ 446

Non-dedicated revenue is generated by fees charged for examinations and licenses.

EXPLANATION OF BUDGET REQUEST:

Budget requested is to continue the BASE level of effort.

<u>INDEX</u>	<u>(Dollars in Thousands)</u>			<u>Page</u>
	<u>Agency Request</u>	<u>Governor's</u>		
	<u>1990-91 Biennium</u>	<u>Recommendation</u>		
	<u>All Funds</u>	<u>All Funds</u>		
BASE Level Request	\$ 716	\$ 716		

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY: BOXING, BOARD OF

1990-91 Biennial Budget

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.

OPERATIONS 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. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of Boxing Shows	39	62	70	75
Professional Boxing	8	15	15	15
Amateur Boxing	29	45	53	60
Full Contact Karate	2	2	2	0
Professional Boxing Licenses	89	100	110	120
Franchises	8	10	15	20
Boxers	41	50	55	60
Managers (optional)	5	5	5	5
Seconds	24	25	25	25
Referees	11	10	10	10
Amateur Boxing	76	85	90	100
Franchises	22	25	30	40
Seconds (using A.B.F.cards)	36	42	40	40
Referees	18	18	20	20
Full Contact Karate Profess'l	0	0	0	0
Franchise	0	2	2	3
Contestant	0	20	25	30
Seconds	0	10	15	20
Managers	0	5	10	20
Referees	0	2	4	6
Full Contact Karate Amateur	0	0	0	0
Franchise	0	0	0	0
Instructor	0	0	0	0
Referees	0	0	0	0

BUDGET ISSUES:

The board and staff place special interest in the promotion of the amateur programs throughout the state. A second special focus of the board is the promotion of affirmative action in the amateur and professional levels of the sport.

ATTORNEY GENERAL COSTS:

<u>Fees for Legal Services Rendered</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Act/Est</u>	<u>Agency Request</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed	\$ 9	\$ 9	\$ 10	\$ 10
Fees Paid	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Requested Budget	\$ -0-	\$ -0-	\$ -0-	\$ -0-

REVENUE:

This activity generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimate</u>	<u>Estimate</u>	<u>Estimate</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated	\$ 3	\$ 2	\$ 2	\$ 2

Non-dedicated revenue is generated by license fees.

EXPLANATION OF BUDGET REQUEST:

Budget requested is to continue the BASE level of effort.

<u>INDEX</u>	<u>(Dollars in Thousands)</u>			<u>Page</u>
	<u>Agency Request</u>	<u>Governor's Recommendation</u>		
	<u>1990-91 Biennium</u>	<u>1990-91 Biennium</u>		
	<u>All Funds</u>	<u>All Funds</u>		
BASE Level Request	\$ 118	\$ 118	\$ 118	2

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : BOARD OF BOXING
PROGRAM : NON HEALTH BOARDS
BUDGET ACTIVITY : BOXING

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	43	46	47	0	47	47	47	0	47	47
EXPENSES/CONTRACTUAL SRVCS	5	6	7	0	7	7	7	0	7	7
MISC OPERATING EXPENSES	4	4	4	0	4	4	4	0	4	4
SUPPLIES/MATERIALS/PARTS	0	1	1	0	1	1	1	0	1	1
TOTAL EXPENDITURES	52	57	59	0	59	59	59	0	59	59
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	52	57	59	0	59	59	59	0	59	59
TOTAL FINANCING	52	57	59	0	59	59	59	0	59	59
POSITIONS BY FUND:										
GENERAL	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TOTAL POSITIONS	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5

AGENCY: ELECTRICITY, BOARD OF

1990-91 Biennial Budget

AGENCY PURPOSE:

The Board of Electricity is a service and regulatory agency which licenses electricians, electrical contractors, and alarm and communication contractors. It also inspects new electrical installations in all areas of the state except when a city, by ordinance, provides their own electrical inspection. The primary purpose of the 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 9 type of licenses. There are approximately 1,000 applicants tested annually. Currently there are 16,000 individuals and contractors licensed by this agency. The board has 18 employees who administer its activities. This department also contracts with 47 contract electrical inspectors to inspect 82,000 installations annually, which average 4 trips per job. This 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:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of Installations Inspected (Avg. 4 Trips per Installation)	82,000	82,000	82,000	82,000
No. of License Applications Processed	2,000	2,000	2,000	2,000
No. of Persons Examined	1,000	1,000	1,000	1,000
No. of New Licenses	1,000	1,000	1,000	1,000
No. of License Renewals	11,000	9,000	11,000	9,000

BUDGET ISSUES:

The Board of Electricity is requesting 2.0 additional Electrical Area Representative positions for the 1990-91 biennium. The Electrical Area Representative investigates complaints from consumers in the area of hazardous wiring, illegal wiring by non-licensed persons, enforces the board's statutes regulating licensing and inspection, trains contract inspectors, and assists in resolving field problems. In addition, they regulate the safety standards for the carnival industry.

The board currently has 6 Electrical Area Representative positions to cover the entire state. The number of inspections made in F.Y. 1987 was 76,000. In 1988, the number increased by 6,000 to 82,000. Many cities do not generate enough revenue to justify a full-time electrical inspector. This agency has taken over 3 of these cities in 1988. The increased workload has resulted in the contracting of 3 additional full-time contract electrical inspectors.

Laws 1985 gave the board the means to take appropriate action when fraudulent, deceptive or dishonest acts are committed by unqualified, incompetent or unscrupulous persons doing electrical wiring. Therefore, our field representatives have been providing information to the board on complaints in large numbers. This has also accelerated the need for additional work from the board's Attorney General's Office designee. The attorney general costs increased from \$6,000 to \$10,000 in 1988 and is expected to rise further in 1989 and 1990.

The construction industry has many peaks and valleys, and it is difficult to accurately determine the board's revenue. The board's projection is with the addition of 3 new cities and, if construction does not drop off drastically, enough income would be generated for the 2.0 additional positions. If enough revenue is not generated from its current fees, the board would have the ability to raise its license fees, which have not been raised since 1981. There would be sufficient time to implement increases as the master electricians licenses are scheduled for renewal in March, 1989 and the electrical contractors licenses are renewed in March, 1990.

ATTORNEY GENERAL COSTS:

<u>Fees for Legal Services Rendered</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimated</u>	<u>Agency Request</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed	\$ 10	\$ 10	\$ 12	\$ 12
Fee Paid	10	10	12	12
Requested Budget	10	10	12	12

REVENUE/RECEIPTS:

This activity generates dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated	\$ 3,173	\$ 3,928	\$ 3,955	\$ 3,946

EXPLANATION OF BUDGET REQUEST:

The Board of Electricity requests \$7,580,000 for the 1990-91 biennium from the Special Revenue Fund to maintain the BASE level of funding which includes 2.0 additional positions. This will change our legislative position complement from 18 to 20.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : BRD OF ELECTRICITY
PROGRAM : ELECTRICITY BOARD
BUDGET ACTIVITY : BOARD OF ELECTRICITY

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	611	653	725	0	725	725	725	0	725	725
EXPENSES/CONTRACTUAL SRVCS	2,052	2,621	2,900	0	2,900	2,900	2,900	0	2,900	2,900
MISC OPERATING EXPENSES	88	94	106	0	106	106	106	0	106	106
SUPPLIES/MATERIALS/PARTS	13	13	13	0	13	13	13	0	13	13
CAPITAL EQUIPMENT	5	20	20	0	20	20	20	0	20	20
REAL PROPERTY	8	0	0	0	0	0	0	0	0	0
REDISTRIBUTIONS	19	20	20	0	20	20	20	0	20	20
TOTAL EXPENDITURES	2,796	3,421	3,784	0	3,784	3,784	3,784	0	3,784	3,784
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	2,796	3,421	3,784	0	3,784	3,784	3,784	0	3,784	3,784
TOTAL FINANCING	2,796	3,421	3,784	0	3,784	3,784	3,784	0	3,784	3,784
POSITIONS BY FUND:										
SPECIAL REVENUE	18.0	18.0	20.0	0.0	20.0	20.0	20.0	0.0	20.0	20.0
TOTAL POSITIONS	18.0	18.0	20.0	0.0	20.0	20.0	20.0	0.0	20.0	20.0

PURPOSE:

The Public Utilities Commission regulates the rates, services and financial practices of the Minnesota operations of natural gas, electric and telephone companies in accordance with laws enacted by the Minnesota Legislature. Additionally, the commission regulates service areas for telephone and electric utilities.

BUDGET ISSUES:

Both Minnesota's economic growth and advances in technology increase the commission's regulatory responsibilities. Municipalities are expanding into territory served by cooperative electric utilities. This often results in service area disputes between the municipality, its utility and the cooperative. Those disputes require commission resolution. At stake are hundreds of thousands of dollars in revenues for the municipality balanced by a similar amount of lost revenue for the cooperative. The unique aspects of each dispute mean none can be handled routinely, but must be carefully analyzed and considered by the commission.

A healthy economy also results in increased numbers of co-generators and small power producers. This development is further encouraged by the state's policy to find alternatives for the landfilling of municipal solid waste. One alternative being seriously pursued is burning waste in boilers that produce electricity, which is then sold to an electric utility. The commission is called upon to resolve disputes between waste burners, electric utilities and often citizens.

In the telecommunications industry, changes in regulation combined with a growing state economy and rapidly developing technology have prompted introduction of new telecommunications services and the emergence of more competitive conditions in some segments of the industry. For example, long distance calling and operator services can now be provided economically by a number of different companies. Protecting the monopoly ratepayer from cross-subsidization (the use of revenues from monopoly services to fund competitive ventures) continues to be a prime concern of the commission. Extended area service, which effectively replaces long distance calling to certain locations with a form of flat rate local service, is increasingly in demand by Minnesota communities. All require commission review and approval.

Development of open network architecture and integrated systems digital networks will change the way the telecommunications system is used in the future and will challenge conventional regulatory methods. These additional responsibilities are only partially offset by a reduction in the number of rate cases that results from a healthy economy.

In addition to increased workload prompted by economic growth, the federal government is increasing the commission's regulatory responsibilities. The Federal Energy Regulatory Commission is aggressively pursuing a goal of deregulating wholesale electricity generation and increasing the level of competition in wholesale electricity markets. This will take the form of independent power producers who bid for contracts to supply electricity to retail distribution utilities. The bidding process would be administered by the Public Utilities Commission; the associated contracts would be subject to review by the commission. At the same time, the commission will continue its

review of utility-owned plant to determine what the commission's responsibilities are and prudent. This increases the commission's responsibilities significantly.

The Federal Communications Commission is proposing to reduce its oversight of interstate telecommunication services. It proposes to regulate these services through formulas that would reduce inflation and productivity. While this will reduce federal regulation, it is certain to increase burdens on state regulators. The commission has adopted a new uniform system of accounts for telephone companies and determining its impact at the state level with a study and analysis and review.

Regulators can no longer rely on precedent to guide them in these new and quite different circumstances. Proper policy requires more careful analysis and assessment of alternatives than was the case in the past. Conditions are more stable.

ATTORNEY GENERAL COSTS:

	Actual F.Y. 1988	Actual F.Y. 1989	Agency Request F.Y. 1990	Agency Request F.Y. 1991
Fees for Legal Services Rendered				
Fees Assessed	\$ 76	\$ 76	\$ 0	\$ 0
Fee Paid	76	76	0	0
Requested Budget	76	76	204	204
Funding:				
AG	45	45	159	159
PUC	31	31	45*	45*

*Does not include \$5,000 each year for AG training

EXPLANATION OF BUDGET REQUEST:

The commission requests an additional \$520,000 and 6.0 positions during the biennium to correct deficiencies in its current operations, to enable it to effectively evaluate and rule on rate and other requests anticipated, and to study emerging regulatory issues of concern to the public. That request is detailed below:

	F.Y. 1990		F.Y. 1991	
	Amount	Position	Amount	Position
Technical Resources	\$96	2.0	\$88	
Administrative Rulemaking	873	2.0	39	
Staff Support	181	<60>	75	
Attorney General	55	<60>	50	
	873		873	

REVENUE/RECEIPTS:

The PUC's efforts are virtually self-supported by fees assessed to regulated companies. Assessments cover the operating and overhead costs of the commission, its staff and its attorney general staff. 100% of expenses are returned to the General Fund each year by this assessment process.

This activity generates dedicated and non-dedicated revenue.

AGENCY: PUBLIC UTILITIES COMMISSION
(Continuation)

1990-91 Biennial Budget

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated	\$ 1,169	\$ 1,231	\$ 1,263	\$ 1,217
Dedicated *	733	814	769	806
Dedicated-special	741	2,706	2,754	2,804
Total Revenue	\$ 2,643	\$ 4,751	\$ 4,786	\$ 4,827

* These dedicated receipts are deposited into the Telephone Investigation Fund as required by M.S. 237.30. At the close of each fiscal year, 100% of this revenue is transferred to the General Fund.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	Recommendation	
	All Funds	All Funds	
BASE Level Request	\$ 10,033	\$ 10,033	
Agency-wide CHANGE Requests			
Additional Technical Resources	184	94	4
Rulemaking	82	82	5
Additional Clerical Support	154	88	6
Attorney General Costs	100	100	8
CHANGE Requests Subtotal	\$ 520	\$ 364	
AGENCY Total	\$ 10,553	\$ 10,397	

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: PUBLIC UTILITIES COMMISSION

REQUEST TITLE: ADDITIONAL TECHNICAL RESOURCES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 96	2.0	\$ 88	2.0
Governor's Recommendation				
General Fund	\$ 49	1.0	\$ 45	1.0

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests 1.0 engineer position to provide technical expertise as requests for decisions on diversification, mergers, acquisitions, lost revenue and duplication of service increase. An additional 1.0 senior rates analyst position is necessary to evaluate increased complaints from cogenerators and small power producers and to determine the state's new responsibilities under rules proposed by the Federal Energy Regulatory Commission (FERC).

DESCRIPTION/BACKGROUND:

In the past several years, the electricity industry has been marked by changes which will alter regulation of that industry almost as dramatically as divestiture of AT&T altered regulation of the telephone industry. Federal Energy Regulatory Commission (FERC) rules will soon enable creation of independent power producers who will be able to sell electricity to utilities. The price utilities pay for this electricity will be subject to approval by the commission. That will increase commission workload and require either review of each contract or administration of a bidding process which assures that new electricity supplies are obtained at minimum cost. The commission will continue to review utility plant costs as a part of every rate case.

While the current policy to move from landfill disposal of garbage to burning has created another source of energy, it has also created a source of disputes which must be solved by the commission. As more counties enter into contracts to sell the electricity they produce, more of those contracts will come to the commission for review and approval.

As economic development continues throughout the state, the commission has seen a dramatic increase in requests for it to rule on who will provide electric service to these newly developing areas. Where utilities formerly requested Commission approval of their compromises in these requests, there has been a significant increase in the number of disputes filed with the commission for which there is no proposed solution. This increases both staff time spent reviewing requests and hearing time of the commission.

While the question of who can serve an area requires interpretation of the law, the question of compensation requires the expertise of an engineer to evaluate the equipment and determine whether it is compatible with equipment of the acquiring utility. The commission has no engineering expert on staff to advise it on these questions but must rely on the testimony of parties.

As companies continue to diversify operations, they will continue to request commission approval for those contracts. The increase in the number of such requests has been accompanied by a corresponding increase in the complexity of questions raised by those requests. It is not unusual for engineers to be called as expert witnesses in such cases. The commission has no corresponding staff expert to evaluate that testimony.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	PROJECTED F.Y. 1989
No. service area disputes	15	29	33	40
No. service area contested cases	1	1	6	8
No. of FERC rules proposals	0	0	4	5

RATIONALE:

Currently the commission is understaffed in its efforts to regulate electric utilities. Granting the request for an engineer and senior rates analyst will enable the commission to effectively carry out the state's new responsibilities to approve contracts under which utilities buy substantial amounts of electricity. It will also make it possible to act promptly on requests to determine who will provide electric service to economic development areas and to rule on requests by companies to diversify their operations.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 6	\$ 18	\$ 18	\$ 18
General Fund Positions	.1	.3	.3	.3

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 88	\$ 88	\$ 176
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$94,000 and 1.0 position to assist the Commission in its efforts to regulate electric utilities.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC UTIL COMMSN
PROGRAM : PUBLIC UTILITIES COMM
BUDGET ACTIVITY : PUBLIC UTILITIES COMM

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	1,375	1,511	1,543	235	1,778	1,705	1,543	235	1,778	1,705	
EXPENSES/CONTRACTUAL SRVCS	398	625	495	4	499	498	497	4	501	500	
MISC OPERATING EXPENSES	113	117	117	13	130	128	117	13	130	128	
SUPPLIES/MATERIALS/PARTS	59	18	8	4	12	11	8	0	8	8	
CAPITAL EQUIPMENT	53	35	5	12	17	14	5	0	5	5	
STATE OPERATIONS	1,998	2,306	2,168	268	2,436	2,356	2,170	252	2,422	2,346	
LOCAL ASSISTANCE	12	1,409	2,422	0	2,422	2,422	3,273	0	3,273	3,273	
TOTAL EXPENDITURES	2,010	3,715	4,590	268	4,858	4,778	5,443	252	5,695	5,619	
CHANGE REQUESTS: FUND											
A ADDITIONAL TECHNICAL RESOURCES				96		49		88		45	
A RULEMAKING				43		43		39		39	
A ADDITIONAL CLERICAL SUPPORT				79		46		75		42	
A ATTORNEY GENERAL COSTS				50		50		50		50	
TOTAL CHANGE REQUESTS				268		188		252		176	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	1,803	1,946	1,876	268	2,144	2,064	1,878	252	2,130	2,054	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	207	1,769	2,714	0	2,714	2,714	3,565	0	3,565	3,565	
TOTAL FINANCING	2,010	3,715	4,590	268	4,858	4,778	5,443	252	5,695	5,619	
POSITIONS BY FUND:											
GENERAL	35.0	35.0	35.0	6.0	41.0	39.0	35.0	6.0	41.0	39.0	
TOTAL POSITIONS	35.0	35.0	35.0	6.0	41.0	39.0	35.0	6.0	41.0	39.0	

AC: _____
 PROGRAM: _____
 AGENCY: PUBLIC UTILITIES COMMISSION

REQUEST TITLE: RULEMAKING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 43	1.0	\$ 39	1.0
Governor's Recommendation				
General Fund	\$ 43	1.0	\$ 39	1.0

Request requires statutory change: Yes No
 Statutes Affected: _____

STATEMENT OF REQUEST/OBJECTIVE:

The commission needs 1.0 position for the biennium to draft administrative rules and statements of need to relieve a backlog of approximately 15 rules.

Hiring a second attorney to concentrate exclusively on rulemaking will enable the commission to streamline operations for itself and the companies it regulates. That will, in turn, save money for Minnesota's ratepayers and regulated companies.

DESCRIPTION/BACKGROUND:

The legislature has authorized the commission to adopt administrative rules (M.S. Secs. 216A.05, 216B.08, and 237.10). The commission has recognized the need for 26 specific sets of rules. During F.Y.s 1987-88 the commission adopted 5 new rules and worked on 8 others. That is in contrast to F.Y. 1986 during which the commission adopted only 1 rule and worked only intermittently on 2 others. These current accomplishments are a direct result of legislative action authorizing a rulemaking position during the last biennium.

No work has started on the remaining 13 rules. Nine of these 13 have been in effect for many years and need extensive revision to reflect current practices and situations. Time-consuming rule hearings and task forces will probably be needed for most of these. But adoption of rules will simplify procedures and reduce costs in the long run.

Delaying major revisions, which constitute the majority of the current backlog, has several negative effects:

- 1) Companies and parties must request clarification of their responsibilities and ask to vary the existing rule when it no longer reflects the current situation.
- 2) The commission finds it more difficult to be consistent in its policy since it looks at individual companies and not an entire industry.

- 3) Costs to companies and ratepayers increase with the necessity for special meetings and commission orders. Each up-to-date rule significantly reduces the burden on both companies and state regulators since rule provide standard procedures, outline requirements and ensure equitable treatment for all parties.

Also, adoption and revision of rules puts the commission in compliance with the law.

STATISTICS:	F.Y. 1986	F.Y. 1987	F.Y. 1988	PROJECTED F.Y. 1989
	New rules adopted	1	2	2
Rules amended	0	0	1	3
Variances requested	95	110	130	150
Orders to answer rule variance requests	95	110	130	150

RATIONALE:

The status of PUC rules is not static. Changes in state and federal law, the economic climate and technology often signal the need to adopt or revise rules. New legislative programs often require rules be adopted so the program can be implemented. The commission cannot delay addressing the backlog of rule revisions it has identified in the hope that the regulatory environment will stabilize and allow it to catch up.

An average of 300-400 attorney staff hours are required to adopt a rule; the workload of the existing staff does not allow them to begin work on any of the 13 rules currently unassigned. Adding one position to the Commission's complement for the next biennium will enable it to make significant progress on this backlog so maintaining reasonably up-to-date administrative rules after that will be possible.

The cost of the position will be saved in reduced costs to rate payers since time of both state regulators and company representatives will be reduced when rules are up-to-date.

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 38	\$ 40	\$ 40	\$ 40
General Fund Positions	1	1	1	1

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 40	\$ 40	\$ 80
General Fund Positions	1	1	1

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: PUBLIC UTILITIES COMMISSION

REQUEST TITLE: ADDITIONAL CLERICAL SUPPORT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 79	3.0	\$ 75	3.0
Governor's Recommendation				
General Fund	\$ 46	2.0	\$ 42	2.0
Request requires statutory change: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests 2.0 positions for clerks to maintain service lists and to handle increased workload of photocopying and issuing commission orders. The commission also requests 0.5 position for a clerk to replace a non-complement position currently used to process appeals to Cold Weather Rule decisions and 0.5 position for a computer technician to reduce dependence on consultants for on-going support of the local area network.

Increasing clerical staff will ensure the commission issues its notices and orders within statutory deadlines. It will also remove from professional staff the need to perform clerical tasks associated with issuing commission orders on time and reviewing appeals filed under the Cold Weather Rule. (Due to the shortage of clerical support, professional staff often complete clerical tasks. This is inappropriate use of professional resources and also delays their work on other issues which, in turn, delays those subsequent Commission decisions.) Hiring a part-time computer technician will reduce the agency's dependence on consultants to provide day-to-day support of its local area network.

DESCRIPTION/BACKGROUND:

The commission regulates gas, electric, and telephone companies through statutes, rules, contested cases, investigations, and complaint proceedings. All require formal action by the commission. Statutes governing the process that the commission uses to address these matters require that certain time deadlines are met. Documents must be served in a timely manner to comply with Minnesota's laws.

During the last biennium the legislature authorized 6 additional technical positions to support the commission in researching and evaluating regulatory issues and rate requests and meeting these deadlines. It did not authorize any clerical support because of anticipated efficiencies from the commission's new office automation system.

Professional staff use the system to generate rough drafts and to transfer material electronically among colleagues and Commissioners. Both the increase in professional staff and their effective use of that system, however, mean that more issues are decided by the commission more quickly. That creates a need to issue orders which still relies on formatting, printing, photocopying, mailing and filing hard copy. Since the commission "acts through its written orders," prompt copying and mailing of orders is essential to put commission decisions into effect and to meet statutory deadlines.

The clerical staff is largely responsible for ensuring that a commission document is processed and served on those involved according to legal standards.

M. S. (Chap. 14, 216, 216B., and 237) establish strict time lines for filings, notices, and commission action for complaints, contested cases and rulemakings. The commission orders and other resulting documents are usually lengthy and complex, requiring considerable clerical involvement in producing and distributing the final document to parties and those who have asked to be included on the service list.

For each major case and rulemaking, the commission maintains a service list of parties and interested persons; that list differs for each case and is modified many times during the course of a contested case and its associated hearings. Maintaining those 300+ lists is a clerical task but one of high priority since it assures that parties to a case receive information, notices of hearings, notices of meetings, and the commission's final Order as required by law.

In addition, Minnesota's Open Meeting Law requires the commission to notice its meetings. This is done in 2 ways. Regularly scheduled commission meetings and the matters to be addressed in them are listed in the commission's weekly calendar which is compiled and updated by clerical staff and mailed by them to interested persons. Individual written notices of special meetings and emergency meetings are drafted by professional staff and mailed by clerical staff to parties, interested persons, and the media.

The existing clerical support staff is able to complete its work only through the use of non-complement student workers. While capable, the inexperience of a student work force requires a disproportionate training effort on the part of senior support staff. Also, the idiosyncrasies of student schedules often make them ineffective in meeting deadlines. Finally, in an agency marked by little turnover, the availability of funds for this staff is never assured.

The commission has also used salary savings for the last 2 years to fund a seasonal clerical position which assures appeals meet the deadlines of the Cold Weather Rule and that consumer mediators are available to resolve complaints of utility customers. Since all complement positions are filled and turnover is traditionally low, we cannot be assured those salary savings will exist in the coming biennium.

Installation of the commission's local area network has increased the ability to manage both workload and information. The work of building the network did not end, however, with installation. Any network is a dynamic system requiring on-going attention. Problems with software and hardware will develop and need to be addressed quickly by trained experts if the system is to remain effective.

ACTIVITY:
 PROGRAM:
 AGENCY: PUBLIC UTILITIES COMMISSION

to continue to serve the commission as effectively as it has in the past year.

Currently, this technical expertise is available only from the consultant who designed and installed the system. This presents 2 problems: He is often busy with other clients and the out-of-pocket cost to the commission is more than twice that of a maintaining such a resource on the commission staff.

STATISTICS:	PROJECTED		
	F.Y. 1987	F.Y. 1988	F.Y. 1989
Number of photo copies made	529,500	717,629	750,000
Postage expense	\$ 6,900	\$ 10,500	\$ 13,000
Pieces of mail associated with rulemakings	2,500	5,000	6,000
Number of orders issued	205	252	290

RATIONALE:

The 2.0 clerical positions will maintain accurate service lists, photocopy and mail commission orders to meet statutory deadlines; file commission material submitted by companies so it is available to staff and Commissioners; photocopy and mail materials for rulemaking staff. It also provides back-up for the commission receptionist so commission's senior support staff will not be required to act in that capacity. Hiring 0.5 clerical position to process the routine aspects of the Cold Weather Rule appeals means it is not necessary to increase the number of professional consumer mediators.

The commission seeks permanent funding for these clerical positions since salary savings are not assured to fund them and the workload is estimated to increase.

The 0.5 computer technical position will provide on-site technical assistance now available only from a consultant. Placing such a resource on the staff will not only save time but will save money since the approximate cost of a staff technician will be \$18.00 per hour as contrasted with the \$40.50 billed by the consultant.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 42	\$ 45	\$ 45	\$ 45
General Fund Positions	2.0	2.0	2.0	2.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 75	\$ 75	\$ 150
General Fund Positions	3.0	3.0	3.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$88,000 to help the Commission issue its notices and orders within the statutory deadlines and to provide support for its new computer system.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: PUBLIC UTILITIES COMMISSION

REQUEST TITLE: ATTORNEY GENERAL COSTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 50	-0-	\$ 50	-0-
Governor's Recommendation				
General Fund	\$ 50	-0-	\$ 50	-0-
Request requires statutory change:	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No		
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests permanent funding for an additional 1.0 position in the Attorney General's Office to assure the commission will continue to have available 2.5 positions as counsel to the commission. It also requests \$5,000 each year of the biennium for specialized utility and regulation training for all Attorney General staff who represent the commission as a supplement to training funds available from the Attorney General's budget.

DESCRIPTION/BACKGROUND:

Decisions of the commission affect not only the quality of utility service and the rates paid by individuals and businesses in Minnesota, but also the earnings and practices of major utility and telephone companies which do business in this state. Since decisions in a single case often involve many millions of dollars, they are carefully reviewed by both companies and customers.

While the statutes and rules set the general guidelines for the commission's work, much of what the commission does is to interpret those legal frameworks within the complex and technical circumstances of an individual case. Also, recent years have seen technical changes which were not anticipated when existing laws were written. That increases the need for legal interpretation which often cannot rely on precedent.

Since actions of federal regulators often establish new responsibilities for the commission, the commission must be assured that it has adequate legal counsel before it makes decisions and issues orders.

The commission requires counsel at all its public meetings. With complex and new issues facing the commission, preparation by counsel involves more research than was true when the majority of the commission's workload was rate cases. The burden on counsel is further increased by the trend to appeal commission decisions to the courts.

Commission orders are subject both to petitions for reconsideration and to appeal through the court system. During F.Y. 1988, commission counsel successfully defended commission decisions in their entirety in seven major cases. In two others, commission decisions were upheld on major issues. In no instances were major policy decisions of the commission reversed by the final court.

Representation by the commission's legal counsel materially assisted the commission decisions to

- 1) reduce a telephone company's rates by \$12 million annually after investigation into contacts between the company and former Commissioners.
- 2) assert its authority to initiate rate investigations on its own or a customer's motion which resulted in rate reductions of \$24 annually for a telephone company.
- 3) establish rules and procedures to pass through to rate payers savings realized as a result of the Federal Tax Reform Act of 1986. The commission identified annual savings of \$30+ million for customers of 16 companies resulting in either rate reductions or delayed rate increases. For customers of another 6 companies, savings of \$15 million were incorporated into general rate case proceedings.
- 4) decrease by \$37 million annually the rate increase recommended by the administrative law judge which decreased the final rate \$92 million below the utility's original request. That case also established the important legal principle that the commission may use its own expertise as well as that of expert witnesses to determine what constitutes just and reasonable rates.

Those successes are the result of several factors: There has been sufficient commission counsel to research legal issues and advise the commission during its deliberation, to review the commission's orders prior to issuance and to prepare adequately for court challenges to those orders. However, the current level of counsel is by no means assured.

Attorney General support of the commission has been traditionally understaffed. It has remained constant at 1.5 positions for a number of years. In F.Y. 1986 the Attorney General recognized the need for additional counsel and was able to fund another position at the commission. That position was available but unfunded during F.Y. 1987 and F.Y. 1988. The commission took funds from its own appropriation to fund the position during the current biennium, but seeks permanent funding for this position. (Commission funds were available due to vacancies and were taken from other line items because the commission considers adequate legal representation essential. Its decision has meant that other commission priorities of research and policy analysis have not been addressed.)

Training for regulatory counsel is more expensive than for most other counsel since utility regulation is a highly specialized field and little training is available locally. The Attorney General's budget does not allow sufficient funds for the specialized training essential for commission counsel. Attorneys representing the commission need to be familiar with both emerging issues in regulated industries as well as trends in regulation at both the state and federal level.

CH REQUEST 1990-91 Biennial Budget
____ Agency _____ Program _____ Activity
(Continuation)

ACTIVITY:
PROGRAM:
AGENCY: PUBLIC UTILITIES COMMISSION

As with other Attorney General positions assigned to the commission, the costs associated with those positions are assessed to regulated companies and fees paid are returned to the General Fund.

RATIONALE:

Granting this request will enable to commission to maintain the level of informed advice it requires as technology advances and as the regulatory structure and climate changes. Orders will continue to be well written and issued promptly; rulemaking will continue resulting in streamlined operations; decisions will be less subject to reconsideration and appeal; counsel will have adequate time to research those issues which are appealed to courts.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY PURPOSE/HISTORY: The mission of the Telecommunication Access for Communicatively Impaired Persons (TACIP) Board is to improve the accessibility of the telephone system to Minnesotans with hearing or speech impairments. Communicatively impaired people are constantly frustrated by the lack of equipment and services to enable them to overcome communication barriers in society. The inability to utilize the telephone system has contributed to high unemployment and underemployment among even highly skilled communicatively impaired people.

The TACIP Board was established in October of 1987, pursuant to M.S. 237.50-.55 (1987), to establish and administer special programs to alleviate this problem. With the staffing of a full-time program administrator and staff support from the Department of Public Service (DPS), the Board launched a 9-month planning project that culminated in the initiation of TACIP services in September of 1988.

The TACIP Board is establishing and administering 2 major programs to promote telephone accessibility. The first is an equipment distribution program. Through an interagency agreement between the Department of Human Services (DHS) and the TACIP Board, the DHS Deaf Services Division (DHS/DSD) is supplying eligible communicatively impaired Minnesotans with the special equipment they need to access the telephone system.

The second program is the Minnesota Relay Service (MRS). The MRS enables direct communication between people who use Telecommunication Devices for the Deaf (TDDs) to communicate over the telephone with the hearing community. The TACIP Board is contracting with a local consumer organization to operate the MRS.

OPERATION AND CLIENTELE: The TACIP Board is composed of 12 members, 10 appointed by the Governor and 2 ex-officio members. The members appointed by the Governor include 5 communicatively impaired consumers, currently 1 each from Belgrade, Cottage Grove, Duluth, Elmore and Minneapolis. Also appointed by the Governor are 3 representatives from the telecommunications industry, 1 each from US West Communications, the Minnesota Telephone Association and A T & T. The Governor also appointed an audiologist to represent professionals in the area of communication impairments. Soon, the Governor will appoint a person to represent D.E.A.F., Inc., the organization that operates the relay service. The commissioner of the DHS or a designee, and the commissioner of the DPS or a designee, serve as ex-officio members of the board.

The TACIP Board is an independent state agency with policy-making and rule-making authority. The TACIP programs are administered by the TACIP administrator. Several public and private entities contribute to and monitor the activities of the board, including the Public Utilities Commission, the Department of Public Service, the Department of Administration, and professionals serving the communication-impaired community. TACIP Board decisions and TACIP agency activities are the result of substantial input from a variety of concerned parties.

The equipment distribution program equips eligible deaf, hard of hearing, speech impaired, and deaf-blind people with TDDs, telephone amplifiers, ring signalers, or braille-based communication devices. Staff located at the 8 DHS/DSD Regional Service Centers certify the eligibility of applicants,

provide the most appropriate communication devices, and train the clients on how to use the equipment. Maintenance of the equipment is guaranteed through extended warranties of 5 years.

The message relay service is centralized in the metro area but accessible statewide through use of an "800" number. Any caller can access the system as long as the relayed call involves a TDD user as one party and a non-TDD user as the other party. The service is available 24 hours a day, every day. There is no restriction on the type of calls people can make through the relay. Each operator station is equipped with a voice telephone line and a TDD telephone line that allows the operator to act as a third party to relay the communication between the two parties. This service will grant communicatively impaired people who use TDDs equal access to the telephone system.

Due to the nature of the relay service, the potential clientele for TACIP programs include all Minnesotans who use the telephone system. However, it is expected that the major beneficiaries of the TACIP programs will be communicatively impaired Minnesotans, their families and friends. 1985 statistics placed the number of people in Minnesota with significant communication impairments at 140,000. Of those, approximately 100,000 were hard of hearing; 39,000 were deaf; 500 were both deaf and blind; and about 500 were speech impaired, having lost their ability to speak due to illness or operation.

Policy Issues/Program Changes: In the past year, the TACIP Board considered several major policy issues. First, the board evaluated different potential agents for distributing TACIP equipment. The law designated the largest telephone company in the state as the agent to purchase and distribute TACIP equipment. However, after further review of the logistics and costs involved, it was agreed that the equipment could most effectively and efficiently be distributed through the existing statewide network of regional service centers for hearing-impaired people as operated by DHS/DHD. The board supported a bill incorporating this change and the change was signed into law in April 1988.

A second major policy issue was the priority of distributing equipment, given limited funding for the program. The board developed a priority system based on the premise that those most in need should be given higher priority. Need is determined by three factors: the severity of the disability, low income, and household criteria such as special medical conditions or the presence of several communicatively impaired people in the household.

Planning the message relay service (MRS) called for several major policy decisions. The basic goal of the board is that the quality of communication through the MRS mirror regular telephone communication as closely as possible. The relay connection is direct, with operators as third parties. All conversations will be held in strict confidence. There are no restrictions on the type or length of calls. Long distance relay calls are charged at the rate the caller would pay if they called the second party directly. If funding limitations occur, the board will limit the service by altering one or more of the above policies.

A final major policy issue addressed by the Board was the surcharge level. The TACIP statute directs the board to annually recommend a surcharge level not to exceed 10 cents per month per telephone line in the state. The Public Utilities Commission (PUC) must review the recommendation and actually assess

AGENCY: TELECOMMUNICATIONS ACCESS FOR
COMMUNICATIVELY IMPAIRED PERSONS BOARD
(Continuation)

1990-91 Biennial Budget

the surcharge. In its' 1987 Report to the PUC, the board recommended a monthly surcharge level of 10 cents. The PUC approved that recommendation and ordered assessment of the surcharge effective 4-1-88.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Fees for Legal Services Rendered	\$ 8	\$ 6	\$ -0-	\$ -0-
Fees Assessed	8	6	-0-	-0-
Fee Paid	8	6	-0-	-0-
Requested Budget	8	6	4	4

BUDGET ISSUES/ALTERNATIVES: The TACIP Board and TACIP programs are completely funded through the TACIP surcharge. No General Revenue funds are used to support the agency. All telephone companies in the state assess the charge on residential and business telephone lines. The telephone companies send the surcharge revenues to the Department of Administration (DOA). The DOA deposits the revenues in an account in the state treasury. It is a revolving, interest earning account, dedicated to TACIP administrative and program expenditures.

The Minnesota legislature selected this type of funding for several reasons. First, the TACIP agency will improve the telephone system as a whole by making it more accessible. Thus, all telephone users should contribute to this process. Second, surcharge funding has worked well for the "911 Emergency" program. Third, the programs need a dependable and adjustable source of funding. Fourth, 14 of 26 states which have similar programs use a surcharge for funding. All 7 states which have comprehensive statewide equipment distribution and relay programs use a surcharge for funding.

Agency Performance/Budget Estimates: The TACIP Board held its first meeting in October, 1987. Since that time they have developed a comprehensive general plan, drafted and supported legislative changes, surveyed similar programs in other states, staged community forums and public relations activities, made major policy decisions through rulemaking, and designed a major new telecommunication service. This 9 month planning effort cost a total of \$72,000. TACIP administrative costs in F.Y. 1989 are estimated to be \$84,000. This amounts to 3.6% of total program expenditures for the year. TACIP administrative costs are projected to decrease to about 2.7% of total expenses in F.Y. 1990 and F.Y. 1991. This is far below the TACIP administrative cost cap of 20% in the TACIP statute.

The following chart summarizes the TACIP budget projections for F.Y. 1989-1991.

	(Dollars in Thousands)		
	F.Y. 1989	F.Y. 1990	F.Y. 1991
Administrative Costs	\$ 87	\$ 87	\$ 87
Equipment Distribution Costs	1,796	784	633
Message Relay Costs	1,086	1,630	1,831
Total	\$ 2,969	\$ 2,501	\$ 2,551

REVENUE: The activity generates dedicated revenue.

Type of Revenue	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Dedicated--Special	\$ 588	\$ 2,453	\$ 2,501	\$ 2,551
TOTAL REVENUE	\$ 588	\$ 2,453	\$ 2,501	\$ 2,551

Revenue projections are based on a 10 cent per month per line surcharge applied to the 1988 line count with a line increase of 2% annually. Also added to revenue is carryover from the previous fiscal year.

Agency Priorities/Goals: In the short-term, the equipment distribution program will be given highest priority. Communicatively impaired people must have appropriate equipment before they can even access the telephone system. Once they have that equipment, the message relay service (MRS) grants them a level of telephone service close to the equal access the hearing community enjoys. Thus, when the demand for equipment begins to decrease, probably during F.Y. 1990, higher priority will be given to providing a high quality and fully accessible MRS.

The equipment distribution program will greatly increase the percentage of communicatively impaired Minnesotans who have access to the telephone system. The projected impact of the program is summarized as follows:

Communicatively Impaired Access to the Telephone System
(by households in Minnesota)

Disability	(Dollars in Thousands)						
	FY1985			FY1988-91(TACIP)			
	house- holds	# with equip.	% with access	house- holds	# with equip.	# by TAC.	% with access
Deaf	27,857	1,115	4%	35,500	1,250	6,584	22%
D-blind	357	1	0%	453	2	200	45%
Speech I.	357	15*	4%	453	18	200	48%
Hard Hear	71,428	?	?	90,714	?	6,195	?

* Estimated

The TACIP Board is also committed to providing an effective relay service. The goal of the MRS is to effectively meet the demand for relay calls by being easily accessible. Based on consultant demand projections, the relay center is designed so that less than 10% of callers will receive a busy signal during the busiest hour, and the amount of time a caller will need to wait to get an operator will be less than 90 seconds. It is projected the MRS will relay 171,000 calls in F.Y. 1990 and 201,000 calls in F.Y. 1991. Because the TACIP statute sunsets in 1993, the Board will prepare a recommendation for the legislature in 1992 concerning the most appropriate way to continue the TACIP program.

GOVERNOR'S RECOMMENDATION: The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : COMMUNIC. IMPAIRED BOARD
PROGRAM : COMM IMPAIRED BOARD
BUDGET ACTIVITY : COMM IMPAIRED BOARD

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	24	38	38	0	38	38	38	0	38	38
EXPENSES/CONTRACTUAL SRVCS	34	2,916	2,448	0	2,448	2,448	2,498	0	2,498	2,498
MISC OPERATING EXPENSES	13	12	12	0	12	12	12	0	12	12
SUPPLIES/MATERIALS/PARTS	1	1	1	0	1	1	1	0	1	1
CAPITAL EQUIPMENT	0	1	1	0	1	1	1	0	1	1
REDISTRIBUTIONS	0	1	1	0	1	1	1	0	1	1

TOTAL EXPENDITURES	72	2,969	2,501	0	2,501	2,501	2,551	0	2,551	2,551

SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	72	2,969	2,501	0	2,501	2,501	2,551	0	2,551	2,551

TOTAL FINANCING	72	2,969	2,501	0	2,501	2,501	2,551	0	2,551	2,551

POSITIONS BY FUND:										
SPECIAL REVENUE	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0

TOTAL POSITIONS	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0

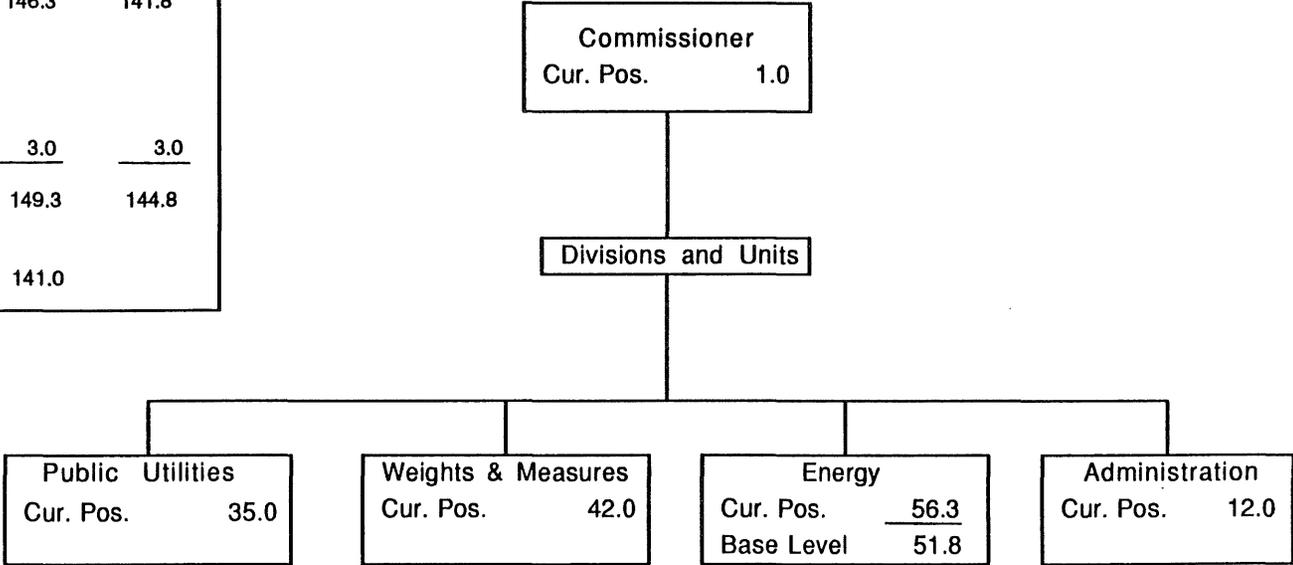
1990-91 ANNUAL BUDGET
PROGRAM STRUCTURE

AGENCY: PUBLIC SERVICE, DEPARTMENT OF

<u>PROGRAMS</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
Public Utility Regulation-----	Public Utility Regulation	13	6
Weights and Measures-----	Weights and Measures		10
Administrative Services-----	Administrative Services		12
Energy-----	Energy		14

DEPARTMENT OF PUBLIC SERVICE
 Organization Chart 7/1/88

Position Reconciliation		
Authority:	Current FY 89	Requested For 6/30/91
Legislative Complement:		
General Fund	125.3	124.3
Sp. Rev. Dir. Approp.	1.5	1.5
Special Revenue Fund	4.0	6.0
Federal	1.5	10.0
Transfer Out	(1.0)	
LAC Approved:		
Federal	<u>15.0</u>	<u> </u>
TOTAL Permanent Positions	146.3	141.8
Other Complement (FTE)		
Seasonal/Part-Time	<u>3.0</u>	<u>3.0</u>
TOTAL Positions	149.3	144.8
Employees on 6/30/88	141.0	



AGENCY PURPOSE:

The Department of Public Service has regulatory responsibility in 3 broad areas -- utility rates and services, commercial weighing and measuring devices, and energy conservation. These areas of responsibility are carried out by the Utilities Division, the Weights and Measures Division, and the Energy Division.

The utility division is comprised of 4 units: computational services, energy, telecommunications, and the Energy Issues Intervention Office. The first 3 units represent 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 these activities the department balances the public's interest in low rates with the need for dependable utility service over the long term. The utility division enforces orders of the commission, has independent investigative authority in utility matters, and is the chief intervenor in certificate of need proceedings before the commission. In addition, the division 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.

The department's Energy Division serves Minnesota energy consumers, producers, regulators and policy decision-makers by providing information and analysis, education services, technology transfer programs, and targeted financial assistance to promote efficient development and use of energy resources. The division also evaluates utility conservation investments and long range utility demand forecasts and provides information and recommendations to the Environmental Quality Board and the Public Utilities Commission on these matters. It also develops, enforces and provides consumer protection information on energy-related codes and standards.

OPERATION AND CLIENTELE:

The department's operations fall into 4 program areas: utility regulation; weights and measures regulation; energy; and administrative services. Each is discussed below.

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 electric rate regulation program includes 6 investor-owned electric and 8 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 4 largest local exchange phone companies. The second is post-filing regulation for smaller independent telephone companies. A third form is expedited review of the rate changes proposed by the 26 long-distance companies. Regulated electric firms have 1.18 million customers; regulated gas companies have approximately 904,000 customers; fully rate regulated local exchange telephone companies have 1.60 million customers; smaller independents

have 240,000 customers; and long-distance firms have about 1 million customers.

Rate regulation is accomplished primarily by analyzing rate structures, evaluating the financial status of utilities and determining current and future needs for plant and equipment. There are 2 primary forums for rate regulation in Minnesota. First, the administrative hearing procedure enables the department's statistical, accounting, economic and engineering staff to investigate issues, document facts, prepare testimony, cross-examine witnesses and prepare briefs. The second involves miscellaneous tariffs presented to the Public Utilities Commission and the department by regulated utilities between rate cases. These filings typically deal with a limited number of issues but require the full range of staff expertise to investigate and make recommendations to the Commission. Both procedures provide members of the Public Utilities Commission with information essential for its decision-making responsibilities. The department also protects ratepayers' interests through earnings investigations; participation in Commission rulemakings; review of rates for cogenerators and small power producers; evaluation of energy conservation programs; intervening in certificate of need applications for large energy facilities; and enforcing the commission's rules, orders and service standards.

The department, through the Energy Issues Intervention Office (EIIIO), has also been given the responsibility of advocating Minnesota's energy interests at the federal level. For example, the EIIIO provides analyses and testimony to the FERC in natural gas rate cases and rulemaking proceedings on issues such as open transportation, gas price deregulation, and oversight of transactions with corporate affiliates. The EIIIO also provides expert testimony on electric issues, including the recent FERC proposals to deregulate electric power generation. The EIIIO works with the PUC and other state agencies in representing Minnesota's energy interests in Washington, DC.

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 and 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 Energy division provides information and analysis, education, technical assistance and financing to improve energy efficiency and promote cost-effective and environmentally sound development of energy resources. A statewide energy database of supply and demand is maintained for both regulated and nonregulated electric and gas utilities as well as for the petroleum supply and distribution. With these data, the division monitors energy supplies and price, projects future demand, identifies issues and trends, and makes policy recommendations. A statewide energy information center provides consumer information on all energy related issues. This division also develops building energy codes and both product and installation standards for energy related products (including insulation materials and commercial lighting practices). In addition, the program provides in-field engineering assistance in conservation and renewable

energy technologies to small businesses. Loan and grant programs are also available to provide financial assistance to tax-supported institutions for purposes of reducing energy costs. Clients of the program include: residential, commercial, industrial and agricultural energy consumers as well as state regulatory agencies, energy suppliers, and units of local government.

4. The Administrative Services program provides management, accounting, word processing, research and planning, duplicating, central supplies, inventory control, and personnel service to 149 employees in 4 divisions. These centralized services avoid duplicative efforts and provide ongoing, efficient support to department personnel.

EXPLANATION OF BUDGET REQUEST:

This is a BASE level of effort budget request.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	1990-91 Biennium	
BASE Level Request	\$ 21,031	\$ 21,031	

PROGRAM: PUBLIC UTILITY REGULATION
 Agency: PUBLIC SERVICE, DEPARTMENT OF

1990-91 Biennial Budget

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 generally 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. 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. However, when competition exists or is emerging within segments of a regulated industry, the department must ensure that captive customers do not subsidize nonregulated activities.

The department regulates 8 gas and 6 electric companies, 4 major local exchange telephone companies, 93 independent local exchange telephone companies and 26 long distance telephone companies with respect to their rates, tariffs, quality of service, uniform accounting systems, acquisitions, mergers, security issuances, depreciation schedules and service areas. In total, these companies have over 5.8 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 (EIIO) represents Minnesota's electric and natural gas consumers both in Congress and in rate and rule matters before federal agencies, such as the Federal Energy Regulatory

Commission (FERC). FERC decisions regarding gas pipeline rates determine approximately 80% of the natural gas costs paid by Minnesota's consumers. In addition, the FERC has jurisdiction over sales and wheeling transactions between electric utilities. Department staff investigates, prepares testimony, and cross-examines opposing witnesses in the federal cases and provides information to members of Congress on the impact of national energy policies on Minnesotans. The EIIO coordinates with the PUC, the Attorney General's Office, the Environmental Quality Board, and other state agencies in representing Minnesota's energy interests in Washington.

EFFECTIVENESS MEASURES:	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
1) % of DPS recommended \$ reductions sustained by PUC Order	97%	70%	70%	70%
2) DPS Investigation costs as a % of \$ reductions ordered by PUC	2.5%	2.5%	2.5%	2.5%
3) \$ reductions ordered	73.2MM			

Statutory References: M.S. Chapters 216, 216B, 216C and 237

PROGRAM STATISTICS:

Fiscal Year	Number of Rate Cases	Increase Requested	Department Recommendation	Amount Allowed
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	5	163,175,262	96,498,148	62,114,407
87	4	6,857,644	(14,074,944)	(8,095,736)
88	1	97,300,000	75,423,000	73,184,000

Work Load Projection	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
1. State and Federal Rate Cases	1	4	4	4
2. Major Non-Rate Case Dockets	7	10	10	10
3. Earnings Investigations	1	1	1	1
4. Tariffs	362	420	420	420
5. Service Area Studies	33	40	40	40
6. Property Acquisition	6	6	6	6
7. Security Issuances	6	7	7	7
8. Electric Fuel Clause and Purchased Gas Adjustments	215	215	215	215
9. Depreciation Investigations	121	120	120	100
10. Conservation Improvement	7	7	7	7
11. Co-gen & Smaller Power Filings	1	2	2	2
12. Certificate of Need	1	1	0	1

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SERVICE,DPT OF

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
PUB UTILITY REG	1,868	2,021	2,124	0	2,124	2,124	2,124	0	2,124	2,124
WEIGHTS & MEASURES	1,817	1,930	1,977	0	1,977	1,977	1,981	0	1,981	1,981
ADMIN SERVICES	610	650	665	0	665	665	665	0	665	665
ENERGY	13,839	6,738	6,024	0	6,024	6,024	5,471	0	5,471	5,471
TOTAL EXPENDITURES	18,134	11,339	10,790	0	10,790	10,790	10,241	0	10,241	10,241
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	6,059	6,385	6,617	0	6,617	6,617	6,621	0	6,621	6,621
SP REV DIRECT APPROP	55	65	65	0	65	65	65	0	65	65
SPECIAL REVENUE	4	4	4	0	4	4	4	0	4	4
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	11,445	4,415	3,732	0	3,732	3,732	3,179	0	3,179	3,179
FEDERAL	571	470	372	0	372	372	372	0	372	372
TOTAL FINANCING	18,134	11,339	10,790	0	10,790	10,790	10,241	0	10,241	10,241
POSITIONS BY FUND:										
GENERAL	125.3	124.3	124.3	0.0	124.3	124.3	124.3	0.0	124.3	124.3
SP REV DIRECT APPROP	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
SPECIAL REVENUE	5.3	4.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
FEDERAL	17.0	16.5	10.0	0.0	10.0	10.0	10.0	0.0	10.0	10.0
TOTAL POSITIONS	149.1	146.3	141.8	0.0	141.8	141.8	141.8	0.0	141.8	141.8

(Continuation)

Agency: PUBLIC SERVICE, DEPARTMENT OF

Work Load Projection (cont.)	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
13. PUC Rulemakings	3	3	3	3
14. FERC Rate Cases	0	1	0	1
15. FERC Rate Adjustments	4	5	5	5
16. FERC Purchase Gas Adj.	2	2	2	2
17. FERC Certificate of Need	7	12	15	14
18. Federal Rulemaking	10	7	5	5
19. Authority Applications				
Telephone Companies	15	15	15	15
Coin Telephones	79	100	100	100
20. Commission Initiated Investigations	12	12	12	12
21. Department Investigations	6	5	5	5
22. Extended Area Service	5	7	7	7
23. Complaints	17	20	20	20
24. Affiliated Interest	5	5	5	5
25. Emerging Competition	8	9	10	10

EMERGING ISSUES:

1. Change in national economy.

Utilities are granted a return on equity based upon their need to compete in the marketplace 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 if their rates should be lower rather than higher.

2. Deregulation.

Telecommunications, natural gas and electricity have been and will likely be affected by national and state trends toward deregulation. The federal government has lifted regulations it once imposed on prices producers may charge for natural gas and has initiated electric deregulation rule-making. It has also permitted competition in long distance telephone service. Similarly, the Minnesota legislature has eased regulatory requirements for natural gas companies by permitting flexible pricing and revamped the state's system of regulating telephone companies in 1987. This Act permits telephone companies to enter the emerging competitive arena while creating cost and pricing safeguards to consumers of monopoly services.

The goals of deregulation have been wider choices for informed consumers, lower prices, and fair competition. However, fair rules of competition must be established to ensure that newly deregulated areas do not again become monopolies so that consumers can realize the benefits of a competitive market.

3. Diversification.

Utilities continue to diversify beyond their traditional regulated enterprises for 2 primary reasons. The first is that as the utility company grows and the opportunities to expand service becomes limited, the companies seek better opportunities for faster growth in non-utility enterprises. The second reason is that a utility may wish to guard against fluctuations in regulated industry revenues by diversifying its investments to reduce investment risk. The challenge for state regulators is to ensure that captive customers of utilities, who have no alternatives to monopoly service, do not subsidize the nonregulated enterprises of a company. The Department is concerned that utilities do 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 by encouraging pipelines to provide nondiscriminatory transportation services for their customers. This allows other gas sellers to compete directly against the pipelines' sales services. Moreover, open transportation gives Minnesota's local distributing companies greater flexibility in purchasing gas supplies. Thus, the future task for regulators is to ensure that local utilities take advantage of the FERC changes and aggressively seek out low cost gas supplies for the benefit of consumers.

The FERC has also begun to consider eliminating or at least reducing regulatory oversight over various activities in the natural gas and electric industries. In the natural gas industry, for example, the FERC has postulated that the rates for certain pipeline sale services could be deregulated as long as that pipeline provides nondiscriminatory transportation for all potential shippers. For the electric industry, the FERC has already issued several proposals that would deregulate wholesale electric generation. The deregulation movement within FERC has shifted more of the regulatory burden to state agencies. In the future, state regulatory agencies will have even greater responsibilities in assuring energy consumers low cost, reliable service.

REVENUE CONSIDERATIONS:

The Public Service Department has authority to assess regulated utility companies the costs of utility regulation. The revenue collected is depo-

PROGRAM: PUBLIC UTILITY REGULATION
(Continuation)
Agency: PUBLIC SERVICE, DEPARTMENT OF

1990-91 Biennial Budget

sited as a non-dedicated receipt into the General Fund and is not available to this program for expenditure.

(Dollars in Thousands)

Type of Revenue	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated				
Utility Division	\$ 1,204	\$ 2,923	\$ 1,944	\$ 1,944
Attorney General	333	335	335	335
Dedicated-Special*	108	150	150	150
Total Revenue	\$ 1,645	\$ 3,408	\$ 2,429	\$ 2,429

* Any balance in excess of \$25,000 in this special revenue fund at the end of each fiscal year is credited to the General Fund.

EXPLANATION OF BUDGET REQUEST:

This is a BASE level budget request.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SERVICE,DPT OF
PROGRAM : PUB UTILITY REG
BUDGET ACTIVITY : PUB UTILITY REG

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,372	1,462	1,572	0	1,572	1,572	1,572	0	1,572	1,572
EXPENSES/CONTRACTUAL SRVCS	295	399	392	0	392	392	392	0	392	392
MISC OPERATING EXPENSES	92	107	107	0	107	107	107	0	107	107
SUPPLIES/MATERIALS/PARTS	62	20	20	0	20	20	20	0	20	20
CAPITAL EQUIPMENT	47	33	33	0	33	33	33	0	33	33
TOTAL EXPENDITURES	1,868	2,021	2,124	0	2,124	2,124	2,124	0	2,124	2,124
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,760	1,871	1,974	0	1,974	1,974	1,974	0	1,974	1,974
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	108	150	150	0	150	150	150	0	150	150
TOTAL FINANCING	1,868	2,021	2,124	0	2,124	2,124	2,124	0	2,124	2,124
POSITIONS BY FUND:										
GENERAL	35.0	35.0	35.0	0.0	35.0	35.0	35.0	0.0	35.0	35.0
TOTAL POSITIONS	35.0	35.0	35.0	0.0	35.0	35.0	35.0	0.0	35.0	35.0

PROGRAM: WEIGHTS & MEASURES
 Agency: PUBLIC SERVICE, DEPARTMENT OF

1990-91 Biennial Budget

INSPECTION REJECTION RATES (Cont.)

livestock scales	180	18	16.2	11.7	12.0
dock meters**	661	60	60.0	60.0	60.0
vehicle tank meters**	2,107	25	24.2	22.0	22.0
LPG meters**	1,132	50	55.5	45.0	45.0
herbicide meters**	59	80	80.0	80.0	80.0
railroad track scales**	85	18	16.4	14.5	15.0
grain hopper scales**	159	5	3.9	1.9	2.0
lab calibrations**	7,107	100	100.0	100.0	100.0

PROGRAM PURPOSE:

To ensure Minnesota citizens and businesses of accurate weighing and measuring transactions and quality of petroleum products.

OPERATIONS:

The Weights and Measures Division protects the citizens and businesses of Minnesota by ensuring accurate weighing and measuring transactions, and providing 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 31,718 gas pumps, dock meters, vehicle tank meters, LPG meters and herbicide meters, 9,762 light capacity scales, 3,151 heavy capacity scales and 269 law enforcement scales. The unit also checkweighs 71,504 samples of prepackaged consumer and farm commodities, tests 21,400 petroleum product samples, investigates 231 consumer complaints and monitors the work performed by 380 persons registered to repair weighing and measuring devices. Since 12-1-87, the enforcement staff has also posted used motor oil and battery recycling posters in approximately 9,000 individual business locations. The metrology laboratory, located in Roseville, maintains and uses the state standards of mass, length and volume to calibrate 7,107 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 expected levels of compliance for many types of weighing and measuring devices. For example, the current rejection rates of 7.4% for light capacity scales and 8.2% 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	Expected	Actual	Actual	Estimated
		Reject Rate Goal	Reject Rate F.Y. 1985	Reject Rate F.Y. 1986	Reject Rate F.Y. 1987-88-89
gasoline pumps	27,769	6%	8.3%	8.2%	8.0%
petroleum field tests	10,919	1	0.3	0.5	0.5
petroleum lab samples	10,481	1	0.9	0.7	0.7
checkweighing	71,504	20	16.3	15.9	16.0
light capacity scales	9,762	5	7.1	7.4	7.5
heavy capacity scales	2,727	18	13.5	14.4	15.0

* 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 expected 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 85% 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, court appearances in behalf of other governmental agencies and sign posting for waste oil and lead battery disposal.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimate F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
Non-dedicated				
Fees	\$ 833	\$ 829	\$ 848	\$ 847
Petroleum Tax	800	816	837	836
Attorney General	1	1	1	1
Total Revenue	\$ 1,634	\$ 1,646	\$ 1,686	\$ 1,684

EXPLANATION OF BUDGET REQUEST:

This is a BASE level of effort budget request.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SERVICE,DPT OF
PROGRAM : WEIGHTS & MEASURES
BUDGET ACTIVITY : WEIGHTS & MEASURES

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,408	1,506	1,545	0	1,545	1,545	1,545	0	1,545	1,545
EXPENSES/CONTRACTUAL SRVCS	140	132	140	0	140	140	144	0	144	144
MISC OPERATING EXPENSES	83	84	84	0	84	84	84	0	84	84
SUPPLIES/MATERIALS/PARTS	72	93	93	0	93	93	93	0	93	93
CAPITAL EQUIPMENT	114	115	115	0	115	115	115	0	115	115

TOTAL EXPENDITURES	1,817	1,930	1,977	0	1,977	1,977	1,981	0	1,981	1,981

SOURCES OF FINANCING:										

DIRECT APPROPRIATIONS:										
GENERAL	1,813	1,926	1,973	0	1,973	1,973	1,977	0	1,977	1,977
SPECIAL REVENUE	4	4	4	0	4	4	4	0	4	4

TOTAL FINANCING	1,817	1,930	1,977	0	1,977	1,977	1,981	0	1,981	1,981

POSITIONS BY FUND:										

GENERAL	42.0	42.0	42.0	0.0	42.0	42.0	42.0	0.0	42.0	42.0

TOTAL POSITIONS	42.0	42.0	42.0	0.0	42.0	42.0	42.0	0.0	42.0	42.0

PROGRAM: ADMINISTRATIVE SERVICES
Agency: PUBLIC SERVICE, DEPARTMENT OF

1990-91 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 3 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 149 employees.

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.

Statutory References: M.S. 216B.237 and 239

REVENUE CONSIDERATIONS:

Approximately 93% of the general fund costs of the Administrative Services activity are recoverable as administrative costs associated with Utility Regulation and Weights and Measures Regulation. The recoverable costs of the Administrative Services Activity are allocated approximately 85% to the Public Utility Regulation Program where they are recovered as assessments,

and 5% to the Weights and Measures Program where they are recovered as fees.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u> <u>F.Y. 1988</u>	<u>Estimate</u> <u>F.Y. 1989</u>	<u>Estimate</u> <u>F.Y. 1990</u>	<u>Estimate</u> <u>F.Y. 1991</u>
Non-dedicated				
Utilities	\$ 518	\$ 552	\$ 566	\$ 566
Weights & Measures	30	32	33	33
Document Copying	13	11	12	12
Total Revenue	\$ 561	\$ 595	\$ 611	\$ 611

EXPLANATION OF BUDGET REQUEST:

This is a BASE level of effort budget request.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SERVICE,DPT OF
PROGRAM : ADMN SERVICES
BUDGET ACTIVITY : ADMIN SERVICES

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	467	506	518	0	518	518	518	0	518	518
EXPENSES/CONTRACTUAL SRVCS	101	101	104	0	104	104	104	0	104	104
MISC OPERATING EXPENSES	18	16	16	0	16	16	16	0	16	16
SUPPLIES/MATERIALS/PARTS	15	14	14	0	14	14	14	0	14	14
CAPITAL EQUIPMENT	9	13	13	0	13	13	13	0	13	13
TOTAL EXPENDITURES	610	650	665	0	665	665	665	0	665	665
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	610	650	665	0	665	665	665	0	665	665
TOTAL FINANCING	610	650	665	0	665	665	665	0	665	665
POSITIONS BY FUND:										
GENERAL	13.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0
TOTAL POSITIONS	13.0	13.0	13.0	0.0	13.0	13.0	13.0	0.0	13.0	13.0

PROGRAM PURPOSE:

The purpose of the Energy Program is to reduce the economic and societal costs of energy use by promoting cost-effective and environmentally sound applications of energy conservation and renewable energy technologies. The major objectives of this program are: 1) to promote increased energy efficiency and appropriate development of energy resources by providing current and accurate information to consumers, energy suppliers and regulators on energy trends, cost effective energy technologies, and appropriate strategies for their implementation through the Energy Information Center and policy analysis activities; 2) to reduce energy costs in schools, hospitals and local government buildings by funding energy building improvements through the state Energy Investment Loan Program and the federal Institutional Grants program; 3) to build capacity for local energy management through technical assistance programs and formation and funding of Community Energy Councils; 4) to promote technically appropriate conservation and renewable energy technologies through engineering outreach and technical assistance programs for builders, architects, engineers, industrial/commercial, and agricultural energy users.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Schools and Public Buildings:				
Buildings Financially Assisted	221	280	300	300
Energy Cost Avoided (000's)	\$7,000	\$9,700	\$12,900	16,900
Community Energy Program:				
New Local Programs	35	20	18	18
Ongoing Local Programs	32	54	61	67
Homes/Businesses Served Through Local Programs	16,560	27,000	30,500	3,500
Information/Analysis Program:				
Information Center Clients	24,123	24,500	25,000	25,500
Publications Distributed	137,332	138,800	139,000	139,800
Utility Conservation Investments Evaluated (000's)	\$11,143	\$11,477	\$11,821	\$12,176
Energy Engineering:				
Alternative Energy Produced or Consumed Annually in Barrels of Oil Equivalent	400,000	410,000	415,000	420,000

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.

1. Information and Analysis Program:

Statutory Reference: M.S. 216C.09, 216C.15, 216C.16, 216C.17, 216C.18, 216B.241

The Information/Analysis activity develops and provides information on

energy technologies, consumption and cost patterns and forecasts of future energy needs to consumers, regulators and policy decision makers. Current information on energy technologies is provided to consumers through the Energy Information Center and Energy Library. The center provides toll free hotline services and develops and distributes consumer and technical literature on energy efficiency and alternative energy technologies. Extensive information on energy consumption, supplies, and costs is available through the Division's Regional Energy Information System (REIS) and other data sources. The activity monitors petroleum supply conditions and responds to energy supply concerns. This program also evaluates long-term electric utility forecasts and capacity plans and reports its findings to the Environmental Quality Board (EQB); develops independent forecasts; and evaluates the effectiveness of utility conservation investments and presents the findings to the Public Utilities Commission.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Consumer Publications				
Written/Updated	26	30	30	30
Public Service Announcements	68	70	70	70
Articles Published	17	20	20	20
CIP Plans Evaluated	7	7	7	7
Utility Forecasts Assessed	9	9	9	9
Utility Data Forms Prepared/Processed	290	290	290	290
Petroleum Update Reports Prepared	52	52	52	52

2. Public School/Local Government Loans & Grants:

Statutory Reference: M.S. 216C.09, 216C.20, 216C.24, and 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 was recently expanded 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 loans issued to date have been distributed to small, rural districts. Exxon funds appropriated by the legislature allow for a revolving loan pool and are also being used to leverage private financing for private, non-profit schools. Federal matching grants provide additional funds for retrofitting private non-profit schools and hospitals. Exxon funds also provide cost-share grants for building audits to identify cost-effective energy investments to support applications for financing. This program also provides follow-up services to insure that retrofitted buildings are operated efficiently, including: computerized analysis of building energy use; on-site technical assistance, telephone consultation, and training programs for the professional engineering community.

PROGRAM: ENERGY
(Continuation)
Agency: PUBLIC SERVICE, DEPARTMENT OF

1990-91 Biennial Budget

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Loans issued	\$ 1,300	\$ 4,000	\$ 5,000	\$ 5,000
Federal construction grants reviewed	\$ 1,625	\$ 1,626	\$ 1,680	\$ 1,680
Computerized Building Analysis	1,956	2,100	2,200	2,300
On-Site Assistance	34	50	60	60
Grants by Fund:				
General	\$ 131	0	0	0
Special Revenue	0	\$ 300	\$ 300	\$ 300

3. Community Energy Program:

Statutory Reference: M.S. 216C.10, 216C.14 and 216C.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. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Persons/days on-site	600	600	600	600
Grants by Fund:				
Special Revenue (000's)	\$ 1,811	\$ 476	\$ 476	\$ 476

4. Energy Engineering:

Statutory Reference: M.S. 216C.09, 216C.13, 216C.19, 216C.25, 216C.261, 216C.27, 216C.315, 216C.30-32

This program provides information, education and on-site assistance to businesses, educators, building operators, professional energy service personnel, building code officials, and construction industry professionals on technical energy issues related to energy conservation and renewable energy technologies. Workshops are designed to cover a broad range of topics including: operations and maintenance of mechanical equipment, energy-efficient construction practices, model energy codes, and bio-mass applications. 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. On-site engineering support is provided to small businesses and institutions to determine preliminary feasibility of conservation and small-scale renewable energy applications.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Workshop Attendees	1,225	1,300	1,300	1,300
Publications distributed	16,420	18,000	20,000	24,000
Technical evaluations	43	50	50	60
Person/days on-site	140	140	180	200
Insulation products approved	130	150	180	200
Grants by Fund:				
General (000's)	\$ 35	\$ 35	\$ 35	\$ 35

GRANTS IN AID SUMMARY:

Local Assistance	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
DPS/Energy Division	\$ 2,071	\$ 811	\$ 811	\$ 811
Housing Finance Agency	5,600	585	311	0
Dept. of Agriculture	185	177	121	121
University of Minnesota	3,571	2,084	1,675	1,433
Total	\$ 11,427	\$ 3,657	\$ 2,918	\$ 2,365

ATTORNEY GENERAL COSTS:

Fees for Legal Services Rendered	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Agency Request	
			F.Y. 1990	F.Y. 1991
Fees Assessed	\$ 2	\$ 2	\$ XXXX	\$ XXXX
Fee Paid	2	2	XXXX	XXXX
Requested Budget	2	2	2	2

Types of Revenue	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Dedicated Special Oil Overcharge*	\$ 5,727	\$ 1,042	\$ -0-	\$ -0-
Dedicated-Federal	510	416	405	405
Total Revenue	\$ 6,237	\$ 1,458	\$ 405	\$ 405

* One time oil overcharge funding which carries forward until expended.

EXPLANATION OF BUDGET REQUEST:

This is a BASE level budget request.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PUBLIC SERVICE,DPT OF
PROGRAM : ENERGY
BUDGET ACTIVITY : ENERGY

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	1,651	1,723	1,833	0	1,833	1,833	1,833	0	1,833	1,833
EXPENSES/CONTRACTUAL SRVCS	531	557	495	0	495	495	495	0	495	495
MISC OPERATING EXPENSES	134	211	193	0	193	193	193	0	193	193
SUPPLIES/MATERIALS/PARTS	63	50	45	0	45	45	45	0	45	45
CAPITAL EQUIPMENT	28	35	35	0	35	35	35	0	35	35
NON-EXPENSE DISBURSEMENTS	0	500	500	0	500	500	500	0	500	500
REDISTRIBUTIONS	5	5	5	0	5	5	5	0	5	5
STATE OPERATIONS	2,412	3,081	3,106	0	3,106	3,106	3,106	0	3,106	3,106
LOCAL ASSISTANCE	11,427	3,657	2,918	0	2,918	2,918	2,365	0	2,365	2,365
TOTAL EXPENDITURES	13,839	6,738	6,024	0	6,024	6,024	5,471	0	5,471	5,471
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,876	1,938	2,005	0	2,005	2,005	2,005	0	2,005	2,005
SP REV DIRECT APPROP	55	65	65	0	65	65	65	0	65	65
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	11,337	4,265	3,582	0	3,582	3,582	3,029	0	3,029	3,029
FEDERAL	571	470	372	0	372	372	372	0	372	372
TOTAL FINANCING	13,839	6,738	6,024	0	6,024	6,024	5,471	0	5,471	5,471
POSITIONS BY FUND:										
GENERAL	35.3	34.3	34.3	0.0	34.3	34.3	34.3	0.0	34.3	34.3
SP REV DIRECT APPROP	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
SPECIAL REVENUE	5.3	4.0	6.0	0.0	6.0	6.0	6.0	0.0	6.0	6.0
FEDERAL	17.0	16.5	10.0	0.0	10.0	10.0	10.0	0.0	10.0	10.0
TOTAL POSITIONS	59.1	56.3	51.8	0.0	51.8	51.8	51.8	0.0	51.8	51.8

AGENCY: MINNESOTA RACING COMMISSION

1990-91 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.

OPERATIONS AND CLIENTELE: The Minnesota Racing Commission consists of 9.0 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 4 standing committees: executive, rules, financial oversight, and affirmative action. It currently has an authorized staff of 8 full time employees, 3 contract seasonal employees (2 Stewards and an Assistant Veterinarian), and 8 seasonal employees (5 in licensing and 3 in veterinary services). The 8 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 and will be establishing offices at Minnesota Downs, Little Falls during the spring.

Presently, the MRC regulates the conduct and operation of Canterbury Downs in Shakopee. That facility is a world class race track that stables approximately 1800 horses, employs over 2,000 people, and generated wagering totalling \$337.8 million during three racing seasons (1985, 1986, and 1987).

Further, Heartland Horse Racing Co. has been authorized as a Class A licensee to construct a race track in Little Falls. Since they propose to commence racing during the summer of 1989, the MRC will be extremely active during calendar year 1989 in establishing its operations there and conducting effective regulatory supervision.

During the prior biennium, the commission and staff developed, enhanced, and implemented many forms, procedures, and controls. These were required to effectively 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: At this point in time, the commission anticipates that it will receive yet this fiscal year an application for a third race track in the state. This being the case, it is highly likely that another race track will be operating prior to 6-30-91, requiring additional regulatory staff.

The commission wants to point out that it is not requesting additional monies

to regulate this facility in its 1990-91 budget request. However, the commission desires to alert the governor and legislature that it may need to request additional financing in the interim should a third track commence operation.

ATTORNEY GENERAL COSTS:

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y.1989	Agency Request	
Services Rendered			F.Y.1990	F.Y.1991
Fees Assessed	\$ 20	\$ 20	\$ 20	\$ 20
Fee Paid	20	20	20	20
Requested Budget	20	20	20	20

EXPLANATION OF BUDGET REQUEST: The commission requests funding to sustain its regulatory and enforcement activities at Canterbury Downs as well as additional funding to commence activities at Minnesota Downs, Little Falls. Racing is proposed to begin at that facility during the summer of 1989.

This request represents the commission's judgement as to the resources needed to effectively enforce Minnesota Statute and Commission rules relating to pari-mutuel gambling. This is based on the evaluation of prior year accomplishments at Canterbury. All requirements of law and rule have been met by implementation and enforcement of controls and procedures. These will be replicated at Minnesota Downs with the level of resources adjusted for the race season prepared by that race track.

There will be a slight increase to the Special Revenue Fund (Breeders' Fund) controlled by the commission due to racing at Minnesota Downs during the next biennium. This money goes back to the racing and breeding industry. It is not directly appropriated by the legislature.

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennium	Governor's Rec 1990-91 Biennium	
	All Funds	All Funds	
BASE Level Request	\$ 3,689	\$ 3,689	
Agency-wide CHANGE Requests Subtotal	\$ 3,689	\$ 3,689	
Program/Budget Activity CHANGE Requests			
Minnesota Downs Regulation	400	-0-	6
CHANGE Requests Subtotal	\$ 400	\$ -0-	
AGENCY Total	\$ 4,089	\$ 3,689	

GOVERNOR'S RECOMMENDATION:

Due to Minnesota Downs' withdrawal of their license request and with the concurrence of the agency, the Governor recommends BASE level funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : MINN RACING COMM

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MINN RACING COMM	1,491	1,845	1,709	200	1,909	1,709	1,712	200	1,912	1,712
TOTAL EXPENDITURES	1,491	1,845	1,709	200	1,909	1,709	1,712	200	1,912	1,712
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	827	925	932	200	1,132	932	935	200	1,135	935
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	664	920	777	0	777	777	777	0	777	777
TOTAL FINANCING	1,491	1,845	1,709	200	1,909	1,709	1,712	200	1,912	1,712
POSITIONS BY FUND:										
GENERAL	8.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0
SPECIAL REVENUE	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TOTAL POSITIONS	9.5	9.5	9.5	0.0	9.5	9.5	9.5	0.0	9.5	9.5

ACTIVITY: MINNESOTA RACING COMMISSION
n: MINNESOTA RACING COMMISSION
Agency: MINNESOTA RACING COMMISSION

1990-91 Biennial Budget

PURPOSE:

This activity exists in order to effectively and fairly enforce Minnesota pari-mutuel laws and commission rules regarding horse racing through the following functions.

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.

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 track in Minnesota. The Security Director and staff are also charged with enforcing 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 7,500 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.

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 take out from the betting handle at the rate of 6.00% to the General Fund. Further, the state assesses a 1% tax on the betting handle for deposit in the Minnesota Breeders' Fund. Additionally the state collects 6% of the breakage and 6% of admission prices.

ACTIVITY: MINNESOTA RACING COMMISSION
 (Continuation)
 Program: MINNESOTA RACING COMMISSION
 Agency: MINNESOTA RACING COMMISSION

1990-91 Biennial Budget

BOARD OF STEWARDS

The final major area of responsibility for the commission is the provision of Stewards services. There are 3 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 (2 with field glasses and 1 viewing monitors) and rule on its finish. The costs of providing steward services are reimbursed by the track.

STATISTICS:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Tax Collections:				
Pari-mutuel Tax	\$ 4,918	\$ 1,331	\$ 1,446	\$ 1,446
Admissions Tax	258	-0-	-0-	-0-
Breakage	440	67	66	66
Unredeemed Tickets	452	360	366	366
TOTAL	\$ 6,066	\$ 1,758	\$ 1,878	\$ 1,878
# RACING DAYS	C.Y. 1987	C.Y. 1988	C.Y. 1989	C.Y. 1990
Thoroughbred	125	122	122	122
Quarter Horse	30*	34*	34*	34*
TOTAL RACING DAYS	125	122	122	122
# OF RACES				
Thoroughbred	1,080	1,050	1,050	1,050
Quarter Horse	112	120	120	120
TOTAL # OF RACES	1,192	1,170	1,050	1,050
# MEDICAL RECORDS MAINTAINED	2,744	2,800	2,800	2,800
# PRE RACE SOUNDNESS EXAMS PERFORMED	9,992	10,000	10,000	10,000
# SAMPLES-(POST RACE DRUG TESTS)	3,479	3,580	3,600	3,600
# LICENSES ISSUED	6,277	6,660	6,700	6,750
# STEWARD RULINGS	265	225	240	250
# INVESTIGATIONS	250	270	300	320
# FINANCIAL COMPLAINTS	50	110	125	150
# PUBLIC INQUIRIES	3,000	3,000	3,000	3,000
# JOCKEY TESTS	-0-	125	130	135

* Mixed with thoroughbred

REVENUE:

This activity generates non-dedicated revenue.

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Occupational Licenses	\$ 128	\$ 170	\$ 185	\$ 186
Drug Testing Reimbursement	252	280	336	336
Class A & B Licenses	40	40	40	40
Fines	22	16	23	23
Application Fees	1	10	-0-	-0-
TOTAL REVENUE	\$ 443	\$ 516	\$ 584	\$ 585

mrc1.act
 11-9-88 a.m.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : MINN RACING COMM
PROGRAM : MINN RACING COMM
BUDGET ACTIVITY : MINN RACING COMM

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	393	484	490	33	523	490	490	33	523	490
EXPENSES/CONTRACTUAL SRVCS	451	461	462	141	603	462	465	141	606	465
MISC OPERATING EXPENSES	42	44	44	10	54	44	44	10	54	44
SUPPLIES/MATERIALS/PARTS	21	19	19	16	35	19	19	16	35	19
CAPITAL EQUIPMENT	19	20	20	0	20	20	20	0	20	20
TOTAL EXPENDITURES	926	1,028	1,035	200	1,235	1,035	1,038	200	1,238	1,038
CHANGE REQUESTS:										
B MINNESOTA DOWNS REGULATION					200			200		0
TOTAL CHANGE REQUESTS					200			200		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	827	925	932	200	1,132	932	935	200	1,135	935
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	99	103	103	0	103	103	103	0	103	103
TOTAL FINANCING	926	1,028	1,035	200	1,235	1,035	1,038	200	1,238	1,038
POSITIONS BY FUND:										
GENERAL	8.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0
TOTAL POSITIONS	8.0	8.0	8.0	0.0	8.0	8.0	8.0	0.0	8.0	8.0

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: MINNESOTA RACING COMMISSION
 PROGRAM: MINNESOTA RACING COMMISSION
 AGENCY: MINNESOTA RACING COMMISSION

REQUEST TITLE: MINNESOTA DOWNS REGULATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 200	-0-	\$ 200	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests funding to provide regulatory and enforcement activity at Minnesota Downs located in Little Falls. The objective is to provide protection to the animals, horsemen, and patrons participating at the state's second track, thereby assuring that each race program meets the highest standard of integrity and competition.

DESCRIPTION/BACKGROUND:

At the 9-28-88, meeting of the commission, it approved a Class A license to Heartland Horse Racing Co. to construct a race track in Little Falls, MN. The licensee proposes to commence racing in July, 1989. As a result, the commission must be provided with financial resources so as to conduct necessary enforcement and regulatory supervision.

The components of this request includes licensing, pari-mutuel supervision, and tax collection, security and investigation, veterinary supervision and drug testing (laboratory), and race officiating/license supervision (Stewards).

By law, the race track must reimburse the state for all costs of the state Stewards and drug testing. These revenues when added to the anticipated tax collections and other non-dedicated revenues will recover all monies appropriated.

Further, it needs to be pointed out that as racing is proposed to begin in July, 1989, a considerable amount of preparation must take place during F.Y. 1989. For instance, licensing must commence around the middle of May. This will necessitate purchase of computer equipment, furniture, and supplies, and hiring and training of new seasonal staff. Equipment will also be purchased by our laboratory at the University. Also, other pre opening costs will occur. With this in mind, a deficiency request for F.Y. 1989 in the amount of \$253,000 has been submitted to the Department of Finance.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Race Days	-0-	-0-	74	74
Class C Occupational Licenses	-0-	1,800	2,500	2,500
P.M. Tax Revenues	-0-	-0-	\$ 247	\$ 247
Other Non-Dedicated Revenue	-0-	\$ 80	\$ 184	\$ 184
Steward Rulings	-0-	60	150	160
Investigations	-0-	50	165	175
Financial Complaints	-0-	25	50	50
Public Inquiries	-0-	600	900	900
Jockey Tests	-0-	-0-	60	60
Medical Records	-0-	800	1,500	1,500
Pre Race Exams	-0-	-0-	7,000	7,000
Drug Samples - Post Race	-0-	-0-	2,200	2,200

RATIONALE:

In presenting this request, the commission is reacting to its charge under Minn. Statutes. Even though the licensee's business and racing plan have been thoroughly reviewed by the Commission, it is essential to conducting a race meet that the state be provided with resources that assure effective regulatory supervision. Accomplishing this will instill confidence by all participants (race track, horsemen, patrons, etc.) that legalized gambling at this facility is being conducted with a high level of integrity and competitive performance.

Should this not be accomplished, it would negatively affect the perception of participants as to the integrity of racing generally and perhaps impact other racing facilities (existing and future) and the state's horsemen. Racing at Canterbury Downs has had a tremendous impact on the state's breeding and racing industry and its support industries. It is anticipated that a second, although smaller facility, such as Minnesota Downs will continue to enhance and provide further growth to this sector of the state's economy.

BASE:

(Dollars in Thousands)			
F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:

(Dollars in Thousands)		
F.Y. 1992	F.Y. 1993	Total
\$ 200	\$ 200	\$ 400

GOVERNOR'S RECOMMENDATION:

Due to Minnesota Downs' request to withdraw their license application, the Governor's recommendation does not provide any additional funding.

ACTIVITY: MINNESOTA BREEDERS' FUND
 : MINNESOTA RACING COMMISSION
 Agency: MINNESOTA RACING COMMISSION

1990-91 Biennial Budget

PURPOSE:

The Minnesota Breeders' Fund was created to provide incentive monies to enhance the horse breeding and racing industry in the state of Minnesota. It is intended that in future years Minnesota horses will not only be competing successfully at Canterbury Downs, but also at other race tracks throughout the country.

OPERATION:

Originally, the fund earned one half of one per cent (.5%) of the first \$48 million wagered in a calendar year and 1% of the amount wagered over \$48 million. Legislative changes enacted in 1988 earmark 1% of the total handle to the Breeders' Fund. The legislature also enacted changes allowing Minnesota bred thoroughbreds racing in open company to earn purse supplements. The MRC approved rule revisions recommended by the Thoroughbred Breeders' Fund Advisory Committee that eliminated the 31% owner awards. This 31% was used to increase purse supplements from 31% to 62%. The purse supplement change allowed the development of an attractive stakes program and purse supplement program. This change, plus the ability of Minnesota breeds to earn purse supplements while racing in open company, provide the incentive needed to increase the value of Minnesota bred horses.

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 bred horse competes. A Minnesota bred thoroughbred must finish third or better in any race to earn breeder and stallion awards and must finish fifth or better in any restricted (Minnesota bred only) or open race to earn purse supplements.

A Minnesota bred quarter horse must finish fifth or better in restricted races to earn owner, breeder, or stallion awards from the fund. Quarter horses earn purse supplements only on restricted races.

In addition, this fund generates revenues for equine research and related education. This is estimated to be \$266,000 during each year of the 1990-91 biennium and will fund a variety of projects approved by the commission. Monies are liquidated as reimbursements to the state's education and research institutions. All projects are targeted to deal with current racing and breeding concerns, problems, etc., especially as they relate to equine health and fitness.

The Minnesota Breeders' Fund activity is currently staffed by 1 full time employee. All expenses incurred are charged to the Breeders' Fund Administrative account. Three separate administrative accounts have been established - one each for thoroughbred, quarter horse, and standardbred.

During the 1986-87 biennium, registration rules were promulgated for each breed of horse. These rules set out the requirements for 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. To date, approximately 2,300 thoroughbred foals and 350 quarter horse foals have been registered with the commission.

Registration requirements are necessary to help control the integrity of the Breeders' Fund program. Broodmares and stallions are required to be registered to ensure that they will foal or stand for service in the state. This requirement also enables staff to know exactly where a mare will be foaling or where a stallion is standing in the event an on-site inspection is made. Foals are required to be registered within 30 days after foaling. This requirement enables staff to go to the foaling farm and verify date of birth, foaling location, and broodmare's identification. Farm inspections were made on approximately 600 broodmares throughout the state so as to verify that they were in Minnesota as required by commission rules.

THOROUGHBRED STATISTICS

	<u>C.Y. 1987</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989</u>	<u>C.Y. 1990</u>
# Breeders	485	539	593	652
# Owners	143	283	312	343
# Broodmares	969	1,234	1,354	1,493
# Stallions	109	135	149	164
# Foals	614	686	755	831
# MN Breds at Canterbury Downs	484	538	592	651
# MN Breds finishing 5th or better	175	349	384	422
# MN Breds winning in open company	2	8	10	12
# Breeders earning Fund monies	94	163	179	197
# Owners earning Fund monies	149	250	275	303
# Stallion Owners earning Fund monies	24	27	30	33

THOROUGHBRED AWARD CATEGORIES

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990²⁾</u>	<u>F.Y. 1991²⁾</u>
Breeders' Awards 31%	\$ 215,795	\$ 266,079	\$ 306,000	\$ 306,000
Owners' Awards (31) ¹⁾	215,795	-0-	-0-	-0-
Purse Supplements 62%	231,347	514,779	609,000	609,000
Stallion Awards 7%	48,728	60,082	67,000	67,000

- 1) Rule changes effective for the 1988 race meet deleted the 31% owners awards and shifted the earnings to purse supplements.
- 2) Based on the operation of 2 tracks.

QUARTERHORSE STATISTICS

	<u>C.Y. 1987</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989</u>	<u>C.Y. 1990</u>
# of Breeders	78	104	120	132
# of Owners	28	34	38	42
# of Broodmares	171	221	243	267
# of Stallions	64	79	87	96
# of Foals	71	95	105	116

ACTIVITY: MINNESOTA BREEDERS' FUND
 (Continuation)
 Program: MINNESOTA RACING COMMISSION
 Agency: MINNESOTA RACING COMMISSION

1990-91 Biennial Budget

QUARTERHORSE STATISTICS (Cont'd.)

	<u>C.Y. 1987</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989</u>	<u>C.Y. 1990</u>
# of MN Breds at Canterbury Downs				
# of MN Breds finishing 5th or better	35	44	48	53
# of MN Breds winning in open company	0	0	4	8
# of Breeders earning Fund monies	22	25	28	32
# of Owners earning Fund monies	26	31	36	42
# of Stallion Owners earning Fund monies	11	14	17	19

mrc2.act
 11-9-88 a.m.

QUARTER HORSE AWARD CATEGORIES

	<u>F.Y. 1988¹⁾</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990²⁾</u>	<u>F.Y. 1991²⁾</u>
Breeders' Awards 35%	\$ -0-	\$ 24,122	\$ 28,000	\$ 28,000
Owners' Awards 35%	-0-	24,122	28,000	28,000
Purse Supplements 20%	-0-	8,340	16,000	16,000
Stallion Awards 10%	-0-	6,890	8,000	8,000

REVENUE:

This activity generates dedicated revenue.

Originally, the fund earned one half of one per cent (.5%) of the first \$48 million wagered in a calendar year and 1% of the amount wagered over \$48 million. Legislative changes enacted in 1988 earmark 1% of the total handle to the Breeders' Fund.

Thoroughbred

	<u>C.Y. 1987</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989²⁾</u>	<u>C.Y. 1990²⁾</u>
1% of Total Handle Wagered	\$ 917,475	\$ 1,118,471	\$ 1,273,820	\$ 1,273,820

Quarter Horse

	<u>C.Y. 1987</u>	<u>C.Y. 1988</u>	<u>C.Y. 1989²⁾</u>	<u>C.Y. 1990²⁾</u>
1% of Total Handle Wagered	\$ 41,922	\$ 91,106	\$ 110,180	\$ 110,180

1) The duration of the 1987 and 1988 race meets caused no liquidations to be made during F.Y. 1988.

2) Based on the operation of 2 tracks.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : MINN RACING COMM
PROGRAM : MINN RACING COMM
BUDGET ACTIVITY : MINN BREEDERS FUND

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	23	27	27	0	27	27	27	0	27	27
EXPENSES/CONTRACTUAL SRVCS	16	18	18	0	18	18	18	0	18	18
MISC OPERATING EXPENSES	3	387	388	0	388	388	388	0	388	388
SUPPLIES/MATERIALS/PARTS	1	3	3	0	3	3	3	0	3	3
REDISTRIBUTIONS	4	4	4	0	4	4	4	0	4	4
STATE OPERATIONS	47	439	440	0	440	440	440	0	440	440
LOCAL ASSISTANCE	518	378	234	0	234	234	234	0	234	234
TOTAL EXPENDITURES	565	817	674	0	674	674	674	0	674	674
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	565	817	674	0	674	674	674	0	674	674
TOTAL FINANCING	565	817	674	0	674	674	674	0	674	674
POSITIONS BY FUND:										
SPECIAL REVENUE	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5
TOTAL POSITIONS	1.5	1.5	1.5	0.0	1.5	1.5	1.5	0.0	1.5	1.5

AGENCY: CHARITABLE GAMBLING CONTROL BOARD

1990-91 Biennial Budget

AGENCY PURPOSE:

The Charitable Gambling Control Board began operations 3-1-85. Its purpose was 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.

OPERATIONS AND CLIENTELE:

The operation of the board was changed as of 8-19-88. It was on that date that the Department of Administration, under Reorganization Order Number 152, and with prior approval of the governor, transferred many of the duties of the board to the Department of Revenue. In addition to transferring powers and duties, the positions of employment with the board and the incumbents in those positions, with their accrued benefits, were transferred from the board to the Department of Revenue. The board was directed to give to the Department of Revenue all contracts, books, maps, plans, papers, records, supplies, and equipment. Any proceeding, court action, prosecution, or other business or action related to the collection of taxes or fees pending on the date of the transfer may be conducted and completed by the Department of Revenue in the same manner as if the department were involved or the action were commenced or conducted prior to the transfer date.

The board retains powers and duties to:

- issue, revoke and suspend certain licenses and certificates of registration;
- to make rules including emergency rules;
- to provide for mandatory posting;
- to report annually to the governor and the legislature on its activities;
- to impose civil penalties of not more than \$500 per violation on licensees and registrants
- to issue and cause to be served, ceased and assist orders;
- to issue, revoke and suspend bingo hall licenses; and
- to notify city counsels, county boards, and town boards before issuing or renewing licenses.

The Department of Revenue has the following powers and duties:

- to collect and deposit license fees and taxes;
- to receive reports;
- to inspect records, books and other documents of manufacturers and collect fees;
- to employ an Executive Secretary and other employees to carry out the functions of the board;
- to regulate the number of bingo occasions;
- to request copies of leases;
- to receive notice of cancellation of gambling managers fidelity bonds;
- to receive reports on local gambling taxes;
- to administer certain exemptions;

- to make recommendations to the board on the issuance, revocation, and suspension of licenses, rule making, civil penalties and enforcement action; and
- to take any enforcement action with respect to the collection of taxes or fees.

The staff, formerly employed by the board, has been redistributed into related positions in the Department of Revenue. The department has created a Gaming Division which deals with licensing, public information and policy statements and a Division of Audit and Investigation under Special Taxes to deal with field audits and investigation of allegations and violations. All activities, formerly responsibilities of the board, are now being conducted under the aegis of the Department of Revenue.

EXPLANATION OF BUDGET REQUEST:

The budget request for the functions of the board are included within the requests for the Department of Revenue. Those requests are shown in the State Departments section of the Proposed biennial Budget.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendations for funding the functions of the Charitable Gambling Control Board are included within the budget requests for the Department of Revenue.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : CHARIT GMBLNG CTRL BD
PROGRAM : GAMBLING CONTROL BD
BUDGET ACTIVITY : GAMBLING CONTROL BD

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	462	83	0	0	0	0	0	0	0	0	0
EXPENSES/CONTRACTUAL SRVCS	113	13	0	0	0	0	0	0	0	0	0
MISC OPERATING EXPENSES	63	12	0	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	14	5	0	0	0	0	0	0	0	0	0
CAPITAL EQUIPMENT	23	0	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	675	113	0	0	0	0	0	0	0	0	0
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	675	113	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	675	113	0	0	0	0	0	0	0	0	0
POSITIONS BY FUND:											
GENERAL	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	15.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

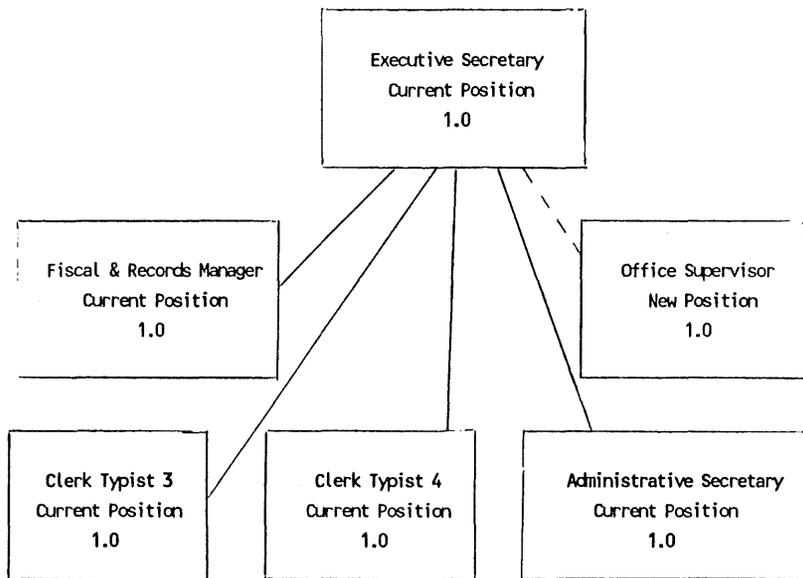
AGENCY: ETHICAL PRACTICES BOARD

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
ETHICAL PRACTICES BOARD-----	Ethical Practices Board Public Financing	16	5 8

Position Sur

Current Positions 5.0

<u>POSITION RECONCILIATION</u>		
<u>AUTHORITY:</u>	<u>Current</u>	<u>Requested For 6-30-91</u>
Legislative Complement		
General Fund	5.0	6.0
Transfers In/Out (net)	<u>-0-</u>	<u>-0-</u>
TOTAL PERMANENT POSITIONS	5.0	6.0
OTHER COMPLEMENT (FTE)	.5	.5
TOTAL AUTHORIZED POSITIONS	5.5	6.5
Employees on 6-30-88	5.5	



AGENCY: ETHICAL PRACTICES BOARD

1990-91 Biennial Budget

AGENCY PURPOSE:

The Ethical Practices Board is a service and regulatory agency which develops and implements plans to administer state laws for the disclosure of public officials' financial interests and potential conflicts of interest; disbursements to influence state elections and legislative or administrative actions; and the distribution of public financing to qualified state candidates.

The primary goal of the board is to promote public confidence in state government decision making, both through effecting timely compliance with disclosure and public financing laws and through developing programs which will increase public access to information filed with the board.

OPERATIONS AND CLIENTELE:

The Ethical Practices Board maintains 7 separate filing, disclosure, and distribution operations with an average annual disclosure by more than 5,000 individuals and associations. The board provides information and instructional services to approximately 9,000 individuals and associations annually under the Ethics in Government Act, the Hennepin County Disclosure Law, and other state disclosure laws; provides for distribution of public financing to candidates for 207 state offices in election years.

Primary clients are elected and appointed state, metropolitan, Hennepin County, Minneapolis, and Bloomington public officials, candidates for elective state executive, legislative, and judicial offices; candidates for Hennepin County, Bloomington and Minneapolis elective offices; political committee and fund treasurers; and lobbyists and associations or individuals they represent.

Secondary clients are others in the public disclosure system including county auditors, legislative and executive staff, attorney general, secretary of state, state treasurer, commissioner of revenue, 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, return of public financing where required; and 3) service area provides 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 regional information meetings.

AGENCY OBJECTIVES:

1. Secure and make available timely, accurate disclosure reports and statements filed by candidates and their principal campaign committees, political committees and funds, ballot question committees and funds, lobbyists, and state and metropolitan public officials.
2. Provide public financing for state candidates in order to lessen the

reliance on large contributors and limit the amount of campaign expenditures.

3. Facilitate and ensure compliance with the Ethics in Government Act.

BUDGET ISSUES:

In prior biennia, the agency's projections for modest increases in the rate of filings and service growth could be accomplished within base line budgets. For F.Y. 1990 and F.Y. 1991, the growth rate is expected to increase, while the capacity to maintain the same level of service is expected to decline significantly. Contributing factors: staff complement of 5, unchanged since agency establishment in 1974; increases in the number of clients and resulting volume of information reported and monitored; requests for assistance with disclosure and dissemination of data.

ATTORNEY GENERAL COSTS:

None

EXPLANATION OF BUDGET REQUEST:

A CHANGE item in the amount of \$55,000 for F.Y. 1990 and \$39,000 for F.Y. 1991 to cover the costs of 1.0 additional staff person, a computer, and increased volume of activity is requested to enable the agency to continue in its responsibility to process, monitor, and summarize the volume of disclosure reports filed by clients, under the Ethics in Government Act, in a timely, evaluative manner. The board seeks to maintain and increase its ability to provide the public with timely information related to compliance with state disclosure laws, while maintaining agency records, reports, and documentation required by other state laws.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ 3,972	\$ 3,972	
Budget Activity CHANGE Requests	94	79	7
AGENCY Total	\$ 4,066	\$ 4,051	

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a reduction of \$15,000 in F.Y. 1990 for phasing in the new position.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ETHICAL PRACTICES BD
PROGRAM : ETHICAL PRACTICES BD

ACTIVITY EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
ETHICAL PRACTICES BD	234	234	237	55	292	277	237	39	276	276
B OPERATING COSTS				55		40		39		39
PUBLIC FINANCING	0	1,150	0	0	0	0	3,498	0	3,498	3,498
TOTAL EXPENDITURES	234	1,384	237	55	292	277	3,735	39	3,774	3,774
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	234	234	237	55	292	277	237	39	276	276
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	1,150	0	0	0	0	3,498	0	3,498	3,498
TOTAL FINANCING	234	1,384	237	55	292	277	3,735	39	3,774	3,774
POSITIONS BY FUND:										
GENERAL	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	1.0	6.0	6.0	5.0	1.0	6.0	6.0

ACTIVITY: ETHICAL PRACTICES BOARD
Program: ETHICAL PRACTICES BOARD
Agency: ETHICAL PRACTICES BOARD

1990-91 Biennial Budget

PURPOSE:

To maintain confidence in the integrity of elected state government and public officials.

EFFECTIVENESS MEASURES:

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
No. of committees-funds, lobbyists, and public officials reporting to the board	4,500	5,240	6,000	7,000
No. of disclosure reports filed with the board	11,390	14,000	12,000	15,000

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:

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
No. of campaign finance information meetings presented	1	10	1	10
No. attending campaign information meetings	60	75	60	200
No. of advisory opinions issued	4	4	6	4
No. of lobbyist information meetings presented	0	1	0	1
No. attending lobbyist information meetings	0	100	0	125
No. of late filing fees waived	39	50	50	50
No. of late filing fees collected	29	60	40	60
No. of investigations/complaints	25	25	20	25

ACTIVITY STATISTICS: (Cont'd.)

	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
No. of legal actions resulting from non-compliance	7	12	10	12
No. of Board meetings	6	6	12	12
No. of Board subcommittee meetings	3	0	0	0

REVENUE:

This activity generates dedicated and non-dedicated revenue.

Type of Revenue	(Dollars in Thousands)			
	Actual F.Y. 1988	Estimated F.Y. 1989	Estimated F.Y. 1990	Estimated F.Y. 1991
Non-dedicated	\$ 10	\$ 16	\$ 10	\$ 25
Dedicated		1	1	1
Total Revenue	\$ 10	\$ 17	\$ 11	\$ 26

EXPLANATION OF BUDGET REQUEST:

The agency requests a CHANGE in the amount of \$94,000 for the biennium to meet projected increases in activity while maintaining its ability to meet statutory requirements and legislative and clients' requests.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : ETHICAL PRACTICES BD
PROGRAM : ETHICAL PRACTICES BD
BUDGET ACTIVITY : ETHICAL PRACTICES BD

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	195	196	199	31	230	215	199	31	230	230
EXPENSES/CONTRACTUAL SRVCS	18	18	18	8	26	26	18	3	21	21
MISC OPERATING EXPENSES	12	17	17	5	22	22	17	5	22	22
SUPPLIES/MATERIALS/PARTS	4	2	2	1	3	3	2	0	2	2
CAPITAL EQUIPMENT	5	1	1	10	11	11	1	0	1	1

TOTAL EXPENDITURES	234	234	237	55	292	277	237	39	276	276

CHANGE REQUESTS:	FUND									
B OPERATING COSTS	GEN									
				55		40		39		39

TOTAL CHANGE REQUESTS				55		40		39		39

SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	-----									
GENERAL	234	234	237	55	292	277	237	39	276	276

TOTAL FINANCING	234	234	237	55	292	277	237	39	276	276

POSITIONS BY FUND:	-----									
GENERAL	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	1.0	6.0	6.0	5.0	1.0	6.0	6.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA ETHICAL PRACTICES BOARD
 PROGRAM: MINNESOTA ETHICAL PRACTICES BOARD
 AGENCY: MINNESOTA ETHICAL PRACTICES BOARD

REQUEST TITLE: OPERATING COSTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 55	1.0	\$ 39	1.0

Governor's Recommendation

General Fund	\$ 40	1.0	\$ 39	1.0
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No

Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The addition of 1.0 full-time complement will enable the board to maintain current level of service in order to continue its statutory responsibilities. The agency utilizes flex time with its current complement in order to provide coverage of responsibilities during 9.5 hours/day, however this is proving inadequate to handle increasing volume.

Additional data processing equipment is necessary for the timely entry of documents, correspondence to provide requested assistance with filing and to secure required amendments. Current equipment is in constant use and is not available for the executive secretary and fiscal manager during the office hours to prepare drafts of documents for board review or to adapt current processes to changing needs and requirements set forth by other state agencies.

DESCRIPTION/BACKGROUND:

M.S. Ch. 10A.02, subd. 8 requires the board to compile and maintain current lists and summaries of all statements pertaining to each candidate and authorizes the board to prepare and publish reports, in addition to other mandates of M.S. Ch. 10A and other state disclosure laws.

A computer, with software, is necessary to process, monitor, and summarize an increasing volume of disclosure reports filed with the board in an efficient, timely, and evaluative manner to ensure compliance.(\$10,453) The continually increasing board responsibilities require the services of a least 1.0 additional staff member to accomplish increased tasks and maintain existing quality.(\$60,000) Larger office space, with attendant moving costs, together with equipment for the new position will be needed.(\$8,763)

The costs of rulemaking, including Revisor of Statutes, Attorney General, and hearing costs are necessary to ensure that the Board can properly assist the affected public in meeting the statutory requirements.(\$2,800)

Additional board meetings are needed to meet objectives of timely response to advisory opinion requests; evaluation and development of policies, rules; requests by legislators and their staff to review proposed legislation; other service to clients. Consequently, per diem and in-state travel lime items need to be increased.(\$5,590)

Increased out-of-state travel is necessary to transport board members and the executive director to the annual national conference of the Council of Governmental Ethics Laws. The executive director serves as an elected member of the national body and presents papers or sits on panels at these meetings.(\$2,200)

Printing and binding, postage, and supplies should be increased in election years to reflect actual expenditures and to provide for the steady increase in volume of requests for timely service to clients in the administration and enforcement of statutory requirements.(\$3,360)

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of disclosure report filers	4,500	5,240	6,000	7,000
No. of disclosure reports filed	11,390	14,000	12,000	15,000

RATIONALE:

The board has been operating with decreased BASE level funding during F.Y.s 1982-1989, while numbers of clients, statutory requirements, and volume of document processing have increased. This increase, noted annually since creation of the agency in 1974, stands at more than 45% during the cited fiscal years, and is anticipated to continue into the next biennium. This request identifies that the agency's ability to maintain same level service in its responsibilities will decline in the ensuing biennium. Significant delay in processing mandated public financing payments to political parties and candidates is expected. Based upon current experience and analysis of historic data, the request seeks to provide a remedy for the currently-identified problems and to increase the agency's ability to process and analyze data in a timely, effective manner.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 234	\$ 234	\$ 237	\$ 237

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 39	\$ 39	\$ 78

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a reduction of \$15,000 in F.Y. 1990 for phasing in the new position.

ACTIVITY: PUBLIC FINANCING
 Program: ETHICAL PRACTICES BOARD
 Agency: ETHICAL PRACTICES BOARD

1990-91 Biennial Budget

PURPOSE:

To reduce reliance of state government candidates on private sources to finance their election campaigns and limit the amount of campaign expenditures.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. of candidates receiving public financing	-0-	243	-0-	350
No. of candidate committees bound to campaign expenditure limits	350	360	350	400

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. Additionally, under a 1988 law, public financing is available to the state committee of political parties. Public financing is distributed during election years to eligible candidates who have filed an affidavit of candidacy for one of the preceding offices, and to the state committee of political parties.

To be eligible to receive public financing, a candidate 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 state political parties for expenditures designated by state law and 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 renter and homeowner property tax refund return with the Commissioner of Revenue may designate that \$5 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 \$5 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 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 the political parties' state committees and 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.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Public financing monies distributed (000's)	\$ -0-	\$ 1,150	\$ -0-	\$ 3,498
% of campaign expenditures	-0-	30%	-0-	30%
No. of candidates filing affidavits of candidacy	-0-	291	-0-	475

REVENUE:

None

EXPLANATION OF BUDGET REQUEST:

Agency estimates are based on taxpayer designations to the State Elections Campaign Fund.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ETHICAL PRACTICES BD
PROGRAM : ETHICAL PRACTICES BD
BUDGET ACTIVITY : PUBLIC FINANCING

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS	0	1,150	0	0	0	0	3,498	0	3,498	3,498
TOTAL EXPENDITURES	0	1,150	0	0	0	0	3,498	0	3,498	3,498
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	0	1,150	0	0	0	0	3,498	0	3,498	3,498
TOTAL FINANCING	0	1,150	0	0	0	0	3,498	0	3,498	3,498
POSITIONS BY FUND:										
TOTAL POSITIONS										

AGENCY: MINNESOTA MUNICIPAL BOARD

1990-91 Biennial Budget

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, delivery of services and environmental protection.

OPERATION AND CLIENTELE:

The board provides information, conducts hearings and meetings, 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 quasi-judicial manner when conducting hearings and making decisions on the basis of evidence received through the hearing process. 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 and availability of governmental services, environmental issues and fiscal capacities.

AGENCY PRIORITY:

The board continues to work with cities, townships, and property owners to assist them in addressing boundary adjustment issues at the local level, which reduces costs to all parties.

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. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Municipal Service Improvement and				
Environmental Protection	3,868	2,450	2,600	2,640
Residential Development	2,251	2,500	2,270	2,300
Commercial Development	1,184	1,250	1,210	1,225
Institutional Development	998	560	575	575
Industrial Development	531	600	580	580
Agricultural Land Issues	333	350	375	375
Contiguity Improvement	405	380	400	410
Other	2,152	1,160	1,210	1,210

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Total Files Opened	157	158	158	160
Total Ordinances Approved	81	80	82	91
Total Orders Issued	67	70	74	75
Total Meetings	73	88	90	93
Total Hearings	19	36	42	45

The board expects an increase in contested proceedings in the next biennium.

ATTORNEY GENERAL COSTS:

<u>Fees for Legal Services Rendered</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimated</u>	<u>Agency Request</u>	
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Fees Assessed - 50%	\$ 3	\$ 3	-0-	-0-
Fee Paid	\$ 3	\$ 3	-0-	-0-
Requested Budget	\$ -0-	\$ -0-	\$ 3	\$ 3

REVENUE:

This agency generates non-dedicated revenue.

<u>Type of Revenue</u>	<u>(Dollars in Thousands)</u>			
	<u>Actual</u>	<u>Estimated</u>	<u>Estimated</u>	<u>Estimated</u>
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Non-dedicated	\$ 16	\$ 17	\$ 19	\$ 19

A fee increase became effective September, 1988. See the Report on Fees submitted separately for details.

EXPLANATION OF BUDGET REQUEST:

Funding is requested to continue the BASE level.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

CHANGE REQUEST **1990-91 Biennial Budget**

Agency Program Activity

ACTIVITY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION
 PROGRAM: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION
 AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

REQUEST TITLE: MISSISSIPPI RIVER PROGRAM CONTINUATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
	Amount	Positions	Amount	Positions
General Fund	\$ 20	-0-	\$ 22	-0-
Governor's Recommendation				
General Fund	\$ 20	-0-	\$ 22	-0-

Request requires statutory change: Yes No

STATEMENT OF REQUEST/OBJECTIVE:

The Commission requests the above amounts to continue the full-time Mississippi River Program initiated in F.Y. 1988 with funds and authority provided by the legislatures of Minnesota and Wisconsin. The objectives already being met by the program, which would be continued through funding of this request, include maintenance and reinforcement of the strong inter-governmental partnerships for river management, liaison on river issues with local governments in 5 river counties in Minnesota and 8 in Wisconsin, and an organized public information and involvement program for river region citizens and groups. The purpose of this approach is to assist the public in understanding and supporting the scores of individual river programs for management now being undertaken, and to promote a strong federal funding commitment to river improvement programs newly-authorized by Congress.

DESCRIPTION/BACKGROUND:

Since 1973, the Commission has been in the forefront of the successful efforts to get a strong, permanent commitment from Congress for improvement and protection of the multi-purpose Upper Mississippi River. This culminated in the federal Upper Mississippi River Management Act of 1986, which authorizes several major river improvement and monitoring programs for navigation, fish and wildlife habitat enhancement, recreation and future development evaluation. Scores of projects are now scheduled to be constructed in the Minnesota-Wisconsin river zone.

In 1987, the Minnesota and Wisconsin legislatures authorized funds for the Commission to initiate its state-recommended program to facilitate state and local participation in this major opportunity. A full-time program director was hired in January of 1988. The Wisconsin Legislature incorporated this new program into the Commission's base budget; the Minnesota Legislature has so far only authorized it through 6-30-89. The CHANGE level requested would

continue this program which is already meeting the needs of local, state and federal managers, public interest groups and elected officials for a well-organized support and information program in the complex network of jurisdictions involved.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 9	\$ 17	\$ -0-	\$ -0-
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
	\$ 25	\$ 27	\$ 52

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : MN/WIS BNDRY AREA COM
PROGRAM : MN/WISC BOUND AREA CO
BUDGET ACTIVITY : MN/WISC BOUND AREA CO

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	0	1	1	0	1	1	1	0	1	1
MISC OPERATING EXPENSES	2	2	2	0	2	2	2	0	2	2
STATE OPERATIONS	2	3	3	0	3	3	3	0	3	3
LOCAL ASSISTANCE	89	96	82	37	119	105	85	47	132	109
TOTAL EXPENDITURES	91	99	85	37	122	108	88	47	135	112
CHANGE REQUESTS: FUND										
B MISSISSIPPI RIVER PROGRAM CONTINUATION				20		20		22		22
B EQUIPMENT PURCHASE				4		3		4		2
B MISSISSIPPI PROGRAM OFFICE				0		0		5		0
B LEGISLATIVE ADVISORY AND OUTREACH PROGRAMS				10		0		13		0
B EMPLOYEE FRINGE BENEFITS				3		0		3		0
TOTAL CHANGE REQUESTS				37		23		47		24
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	91	99	85	37	122	108	88	47	135	112
TOTAL FINANCING	91	99	85	37	122	108	88	47	135	112
POSITIONS BY FUND:										
TOTAL POSITIONS										

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : MINN MUNICIPAL BOARD
PROGRAM : MUNICIP BOUND CREATE
BUDGET ACTIVITY : MUNIC BOUND CREATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	184	197	200	0	200	200	200	0	200	200
EXPENSES/CONTRACTUAL SRVCS	24	29	30	0	30	30	31	0	31	31
MISC OPERATING EXPENSES	15	19	19	0	19	19	19	0	19	19
SUPPLIES/MATERIALS/PARTS	4	3	3	0	3	3	3	0	3	3
CAPITAL EQUIPMENT	10	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	237	248	252	0	252	252	253	0	253	253
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	237	248	252	0	252	252	253	0	253	253
TOTAL FINANCING	237	248	252	0	252	252	253	0	253	253
POSITIONS BY FUND:										
GENERAL	4.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0
TOTAL POSITIONS	4.0	4.0	4.0	0.0	4.0	4.0	4.0	0.0	4.0	4.0

AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION 1990-91 Biennial Budget

AGENCY PURPOSE:

The Commission is charged with making studies and recommendations, coordinating interstate-federal programs and promoting intergovernmental cooperation and public participation in all issues of interest to the co-sponsoring states and their citizens on the nationally-significant Mississippi and St. Croix Rivers. The agency serves a 266-mile-long corridor of intensively used river resources and fosters needed joint actions and teamwork by the scores of federal, state and local governments having jurisdiction over both rivers. It is also designed to provide advisory and expert assistance to the state legislatures and Congress on river issues.

OPERATIONS AND CLIENTELE:

The Commission operates under the 1965 Minnesota-Wisconsin Interstate Compact (M.S. 1.31-1.40) which authorizes the appointment by the governor of 5 Minnesota members, who serve 4 year staggered terms along with 5 Wisconsin members. The Commission promotes the implementation of the pledges of cooperation the 2 states agreed to in the compact, and facilitates much of the cooperation between federal and state agencies on the federally-designated and managed rivers. It employs 4 full-time employees who work in close partnership with all governmental entities on the complex policies and issues affecting the rivers. The Commission provides direct services to: 20 appointed state legislators who serve as appointed advisors to the agency; 21 members of congress from Minnesota and Wisconsin; the Minnesota and Wisconsin Department's of Natural Resources (DNR's) and National Park Service as members of the St. Croix Management Commissions, which the commission staffs and coordinates under a special state-federal cooperative agreement; and 18 counties and scores of municipalities bordering both rivers. The Commission also responds to special assignments for the Corps of Engineers and U.S. Fish and Wildlife Service as primary managers of the Mississippi River. The basic approach used by the commission to carry out its duties is to assist the agencies and officials that have direct authority on the rivers in developing and executing efficient, uniform publicly-supported programs of stewardship of these great resources, and to avoid conflicts and disputes by forging strong, permanent working partnerships of such authorities.

ACCOMPLISHMENTS:

In the 1987-89 Biennium, the commission accomplished 4 primary tasks as projected in its work program:

1. Initiation of a new, full-time Mississippi River Local Affairs/Public Information and Participation program with funds provided by both state legislatures, including employment of a Mississippi River Program Director.
2. Completion and distribution of the major 1987 study of the significant recreational boating traffic on the lower St. Croix National Scenic Riverway, which has led to a new effort to evaluate the acceptable limits of change in this use in the future by the state and federal managing agencies.
3. Initiation of a coordinated research and policy reformulation strategy for St. Croix Riverway management, involving governmental officials and citizens in a renewed cooperative commitment to stewardship of the scenic valley.

4. Execution of 2 successful Congressional campaigns to promote in-creased levels of funding for the Mississippi Environmental Management Program, wherein \$2 million was added by Congress to accelerate widespread resource rehabilitation and monitoring work on the river.

PROGRAM CHANGES:

The Commission seeks to respond to the increased need for local government and citizen awareness and involvement in the management and policy-setting for both rivers through expansion of existing programs of communication, public forums, intergovernmental training seminars and legislative liaison, both state and federal. This will fill a widening gap between fast-growing use pressures and local interests.

EXPLANATION OF BUDGET REQUEST:

The BASE level of funding supports only 3 of the 4 present staff members, office and travel expenses, with allowance for projected salary adjustments not provided by state pay plans and partial funding of fringe benefits.

CHANGE items include: \$20,000 in F.Y. 1990 and \$22,000 in F.Y. 1991 to permanently fund the new Mississippi River Program Director position authorized by the 1987-88 legislature and fully funded at the BASE level by Wisconsin; \$4,000 in each year for 1 time equipment purchases; \$5,000 in F.Y. 1991 to rent and equip a small satellite Mississippi program office; \$10,000 in F.Y. 1990 and \$13,000 in F.Y. 1991 to fund the local outreach and legislative advisory programs; and \$3,000 each year for full funding of employee fringe benefits.

<u>INDEX</u>	(Dollars in Thousands)		<u>Page</u>
	Agency Request	Governor's	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE level Request	\$ 173	\$ 173	
Agency-wide CHANGE Requests			
Mississippi River Program Continuation	42	42	3
Equipment Purchase	8	5	4
Mississippi River Program Office	5	-0-	5
Local Government/Public Involvement/Legislative Advisory Program	23	-0-	6
Full Funding of Employee Fringe Benefits	6	-0-	7
CHANGE Requests Subtotal	\$ 84	\$ 47	
AGENCY Total	\$ 257	\$ 220	

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation provides \$42,000 for the biennium for continuation of the Mississippi River Program and \$5,000 for equipment purchases.

ACTIVITY:

PROGRAM:

AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

REQUEST TITLE: NON-RECURRING EQUIPMENT PURCHASES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 4	-0-	\$ 4	-0-
Governor's Recommendation				
General Fund	\$ 3	-0-	\$ 2	-0-

Request requires statutory change: _____ Yes X No

STATEMENT OF REQUEST/OBJECTIVE:

The Commission requests the above dollar amount to provide one-half of the cost of purchasing several items of office equipment and machines, as described below. The purpose of this purchase plan is to improve the efficiency and productivity of the present complement of Commission staff and to avoid having to hire additional clerical help, and to provide new capability for in-house publishing and communications systems to support proposed expanded public and local government liaison and information programs to stimulate greater support for and commitment to stewardship of the St. Croix and Mississippi River Coordinators in the 266-mile-long Commission service area.

DESCRIPTION/BACKGROUND:

Equipment Replacement:

- Letter-quality computer printer to replace in F.Y. 1990 the 1985 machine that produces 85% of the Commission's printed materials...\$600
- Conference room chairs to replace in F.Y. 1990, 8 chairs used since 1972, which are breaking apart...\$1,000

New Equipment (In priority order):

- Slide-tape recorder/player to support presentations to audiences at public forums on the St. Croix National Scenic Riverway and Mississippi River (F.Y. 1990)...\$850
- Computer modem unit for linkup with federal and state agency river management and data storage/retrieval systems (F.Y. 1990)...\$350
- Office PC computer with desktop publishing monitor and card (F.Y. 1990) to

begin building a capability to prepare and publish informational and programmatic documents for legislators, agencies and the public on river issues...\$3,800

- Computerized river projects data management software and storage to catalog and monitor the status of river improvement projects, water and land use permit St. Croix Riverway zoning violations (F.Y. 1990)...\$1,400
- Laser printer and software to complete the in-house or desk-top publishing center and provide graphics production capability to assist river managing agencies in developing informational materials (F.Y. 1991)...\$3,200
- Facsimile transmission machine to facilitate faster transmittal of documents and messages in the intergovernmental network and public interest sector, where the Commission is being called upon more frequently for data and background material on technical and political river issues (F.Y. 1991)...\$1,800
- Portable computer to support the work of field staff while on duty for extended periods in the river service area, and to provide complete coverage of staff with personal computers while in the Commission office (F.Y. 1991)...\$3,000

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Equipment:	\$ 6	\$ 1	\$ 1	\$ 1

LONG RANGE IMPLICATIONS: None

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$3,000.

CHANGE REQUEST X Agency Program Activity 1990-91 Biennial Budget

ACTIVITY:
PROGRAM:
AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

REQUEST TITLE: ESTABLISHMENT OF MISSISSIPPI RIVER PROGRAM OFFICE IN SERVICE AREA

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ -0-	-0-	\$ 5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes X No

STATEMENT OF REQUEST/OBJECTIVE:

The Commission has developed a new full-time program of local governmental assistance, public information and involvement and technical assistance to state and federal agencies on the Mississippi River in the Minnesota-Wisconsin Boundary Area. The objective of this request is to be more responsive as a public agency for river affairs and to become more conversant with concerns and needs of local communities and citizens in the service area. By cultivating a stronger identity and greater respect as a resident operator in the service area, the Commission hopes to create a more positive and productive climate of public opinion relating to governmental affairs on the river and to government in general.

DESCRIPTION/BACKGROUND:

The Commission has determined that where there is a recognized presence of people in a particular service area, local officials and citizens tend to more readily accept and respect those people's views on public issues. It is this easy accessibility and presence that has built a very good reputation for the commission on the St. Croix National Scenic Riverway over the years, and it is now sought on the Mississippi River to better facilitate the complex interaction of agencies and better inform the citizenry and its leaders on river issues.

The Commission's headquarters office has always been in Hudson, Wisconsin, which is more readily identified with its famous neighbor, the St. Croix River. The Commission feels it can not only be a more effective partner and facilitator on the Mississippi River under this plan, but also conserve expenses for travel, lodging and communication. A simple 1 room office location is envisioned, which would be staffed by the Mississippi River Program Director.

Of the amount requested, \$3,000 would be used for monthly rental and operating expenses and \$2,000 for office furnishings and equipment. These amounts represent one-half of the cost; the other half would be borne by the State of Wisconsin as the co-partner in the Commission.

BASE: None

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenses	\$ 4	\$ 5	\$ 9
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CH. REQUEST 1990-91 Biennial Budg.
 X Agency Program Activity

ACTIVITY:
 PROGRAM:
 AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

REQUEST TITLE: LEGISLATIVE/MISSISSIPPI/ST. CROIX ADVISORY AND OUTREACH PROGRAMS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 10	-0-	\$ 13	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No

STATEMENT OF REQUEST/OBJECTIVE:

The Commission is charged with making studies and recommendations to all authorities having responsibility for management of or impacts on the Mississippi and St. Croix Rivers, and with the special responsibility, under cooperative agreement between the states and the National Park Service, to provide for public input and serve as the contact with local governments on the St. Croix River. The objective of this request is to significantly increase the liaison role of the Commission on a regular working basis with state and congressional legislators, state and federal agency officials and staff, local leaders and administrators and the general public. The main purpose of this effort is to enhance the opportunity for our sponsor states and local communities to benefit from the greatly expanding federal management and improvement on both rivers, and to instill in all involved persons a deeper commitment to wise stewardship of the river corridors.

DESCRIPTION/BACKGROUND:

The nationally-significant, federally designated Mississippi and St. Croix Rivers are extremely popular and experience intensive competition for use, development and protection. While both rivers now enjoy well-coordinated interagency managing partnership arrangements, thanks largely to the fostering work of the Commission, there is a widening gap between the policies and management practitioners and the local area officials and citizens. This is resulting in an apparent increase in violations of protective state and local regulations on the St. Croix and a sense of apathy and complacency on the Mississippi. The zeal of some of the most ardent political leaders to keep fighting for river program funds and administrative actions is undermined by these conditions. The Commission would use the funds requested to build stronger, more active, better-informed networks of river interests and leadership at all levels as a means of insuring that the excellent policy and management teamwork is not allowed to deteriorate.

Of the amount requested, \$3,000 would be used to augment the present relative-Congressional liaison activity to gain more federal and state funding for the rivers; \$4,000 each year would allow the Commission to identify all lower St. Croix Riverway landowners and local officials and prepare and distribute regular river program and policy information in addition to the already established St. Croix Management Commission functions coordinated by the Commission; and \$3,000 in the first year, \$6,000 in the second year, would be used to implement a similar outreach and involvement program in the 13 county service area along the Mississippi River border zone. Cost categories would include travel, supplies, printing, telephone and postage to accomplish these goals. In each of the 3 related activity areas combined in this request, state officials have voiced their concerns and urged the Commission to take whatever action is possible to directly assist in overcoming the recognized deficiencies.

The amounts requested represent one-half of the funds needed for this program; the other half would be provided by appropriations of the State of Wisconsin.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 10	\$ 9	\$ 11	\$ 11
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 13	\$ 13	\$ 26
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST

Agency _____ Program _____ Activity

1990-91 Biennial Budget

ACTIVITY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION
PROGRAM: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION
AGENCY: MINNESOTA-WISCONSIN BOUNDARY AREA COMMISSION

REQUEST TITLE: FULL FUNDING OF AGENCY EMPLOYEE FRINGE BENEFITS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 3	-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 commission requests the above amounts to continue the equitable funding by both partner states in the Interstate Compact of the established fringe benefits for the 3 full-time commission employees supported by the BASE level of funding. As proposed by the state of Minnesota, the projected BASE level of funding for F.Y. 1990 and F.Y. 1991 provides only partial support of the insurance and retirement programs instead of the full support funding levels included in F.Y. 1989 appropriations and spending plans. In keeping with current and past practices, dating back to 1970, and with the philosophy of equal shares for both states in maintaining their joint efforts through the commission, the objective of full partnership involvement will be met by approval of this request.

DESCRIPTION/BACKGROUND:

Under the Interstate Compact (M.S. 1.31-1.40) which creates and governs the Minnesota-Wisconsin Boundary Area Commission, the commission is an independent body which has authority to employ staff and set salaries and benefits. However, in order to maintain operations in keeping with its sponsor states and to simplify its administration, the commission was granted an opportunity to have its small staff participate in benefit programs through the Wisconsin Employee Trust Funds by Wisconsin statute effective 1-1-70. Thus, the employees of the commission are considered "employees of the state of Wisconsin" for the purpose of benefit programs only, as a legal means to allow such participation. All full-time employees have been participants in the basic retirement program since that date, and most have chosen to participate in the standard health insurance programs.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 12	\$ 13	\$ 10	\$ 10
General Fund Positions	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 15	\$ 17	\$ 32
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not support the agency's request for this item. BASE level funding provides for fringe benefits comparable to Minnesota allowances.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : UNIFORM LAWS COMMSN 51750
PROGRAM : UNIFORM LAWS CHSN
BUDGET ACTIVITY : UNIFORM LAWS CHSN

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
MISC OPERATING EXPENSES	14	14	14	2	16	16	14	2	16	16
TOTAL EXPENDITURES	14	14	14	2	16	16	14	2	16	16
CHANGE REQUESTS: FUND										
B NATIONAL MEMBERSHIP DUES				2		2		2		2
TOTAL CHANGE REQUESTS				2		2		2		2
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	14	14	14	2	16	16	14	2	16	16
TOTAL FINANCING	14	14	14	2	16	16	14	2	16	16
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: UNIFORM LAWS COMMISSION
 PROGRAM: UNIFORM LAWS COMMISSION
 AGENCY: UNIFORM LAWS COMMISSION

REQUEST TITLE: NATIONAL MEMBERSHIP DUES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 2	-0-	\$ 2	-0-

Governor's Recommendation

General Fund	\$ 2	-0-	\$ 2	-0-
--------------	------	-----	------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests the above funding to cover an increase in Minnesota's membership dues to the National Conference of Uniform State Laws.

DESCRIPTION/BACKGROUND:

The National Conference of Commissioners on Uniform State Laws (NCCUSL), as an organization that serves states, depends upon state appropriations for its continued operation. Each state, the District of Columbia, and Puerto Rico are asked to contribute a specific amount, based on population, for the maintenance of the NCCUSL. In order to cover inflationary costs, the NCCUSL has notified each of the 50 states that their membership dues would be increased by 5% in F.Y. 1990 and 5% in F.Y. 1991.

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
BASE Appropriation	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Membership Dues	10,300	10,700	11,235	11,795
Past Due Amount 1989			607	
Increased Funding Needed			\$ 1,842	\$ 1,795

RATIONALE:

No state has the resources necessary to duplicate the meticulous, careful work done by the NCCUSL. Minnesota has adopted at least 40 of the uniform and model acts drafted and recommended by the commission. The NCCUSL spends a minimum of 2 years drafting each of these uniform or model acts, and sometimes, the drafting work extends much longer. For example, the Uniform Commercial Code and the Uniform Probate Code (both adopted by the Minnesota legislature) took nearly a decade to complete. Even a modest use of the work product of the NCCUSL guarantees any state a substantial return on each dollar it invests.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 10	\$ 10	\$ 10	\$ 10

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 2	\$ 2	\$ 4

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

AGENCY: VOYAGEURS NATIONAL PARK, CITIZENS COUNCIL ON

1990-91 Biennial Budget

AGENCY PURPOSE:

The purpose of the council is to conduct research and meetings and make recommendations to the National Park Service, U.S. Department of Interior, and to other federal and state agencies on all matters related to the establishment and operation of Minnesota's only national park.

OPERATIONS 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 coordinating 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 1975 Act creating the council is scheduled to expire on 6-30-89.

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.
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.

STATEMENT OF NEED:

Aggressive marketing and promotion is needed to:

1. Assist in economic growth and diversification of Northern Minnesota.
2. Offset recent trends of no growth in visitation to national park areas in rural America.
3. Inform the public of the broad range of services, facilities, and recreational experiences available in the VNP area.
4. Fulfill the expectations of the Minnesota Legislature as stated in Chapter 84B that Voyageurs National Park will be of "benefit to the citizens of the state, due to its accessibility to them, and to the effect it may reasonably be expected to have on the development of tourism and related economic activities."

EXPLANATION OF BUDGET REQUEST:

The 1975 Act creating the Citizens' Council on Voyageurs National Park is scheduled to expire on 6-30-89. Therefore, the entire budget is expressed as a CHANGE level request. Separate legislation will request the extension of the council's expiration date. Increased funding is requested for contractual services and travel. The contractual CHANGE level is needed for inflationary increases for the consultant who acts as the council's executive director, the development of a brochure on the citizens council, and professional marketing plan for the VNP area. Increased travel funding is needed to promote the VNP within and outside of Minnesota.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ -0-	\$ -0-	
Agency-wide CHANGE Requests	186	142	3
AGENCY Total	\$ 186	\$ 142	

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except a biennial reduction of \$44,000.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VOYAGEURS NATL PK ADV
PROGRAM : VOYAGEURS NATL PK COMM
BUDGET ACTIVITY : VOYAGEURS NATL PK COMM

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	18	20	0	21	21	21	0	21	21	21
EXPENSES/CONTRACTUAL SRVCS	30	32	0	47	47	33	0	47	47	33
MISC OPERATING EXPENSES	17	17	0	23	23	17	0	23	23	17
SUPPLIES/MATERIALS/PARTS	1	2	0	2	2	0	0	2	2	0
TOTAL EXPENDITURES	66	71	0	93	93	71	0	93	93	71
CHANGE REQUESTS: FUND										
B COUNCIL CONTINUATION					93	71		93		71
TOTAL CHANGE REQUESTS					93	71		93		71
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	66	71	0	93	93	71	0	93	93	71
TOTAL FINANCING	66	71	0	93	93	71	0	93	93	71
POSITIONS BY FUND:										
GENERAL	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5	0.5
TOTAL POSITIONS	0.5	0.5	0.0	0.5	0.5	0.5	0.0	0.5	0.5	0.5

CHANGE REQUEST X Agency _____ Program _____ Activity _____ 1990-91 Biennial Budget

ACTIVITY:
 PROGRAM:
 AGENCY: VOYAGEURS NATIONAL PARK, CITIZENS COUNCIL ON

REQUEST TITLE: CONTINUATION OF COUNCIL ACTIVITIES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 93	-0-	\$ 93	-0-

Governor's Recommendation

General Fund	\$ 71	-0-	\$ 71	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: X Yes _____ No
 Statutes Affected: M.S. 848.11, M.L. 1987, Ch.358, Sec.20

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above funds to continue the activities of the Citizens Council beyond the current expiration date of 6-30-89. The council's objectives are explained on the previous page.

DESCRIPTION/BACKGROUND:

The legislature created the Citizens Council in 1975. Council activities were originally scheduled to terminate in 1983. The expiration date has been extended several times. The council now requests an extension to 6-30-91.

RATIONALE:

The Voyageurs National Park is not yet fully developed. Therefore the original purpose for the council continues to exist. Also the council requests these funds to actively market and promote the park.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 66	\$ 71	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS: None

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a biennial reduction of \$44,000.

1990-91 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	21	13
HISTORIC SITE OPERATIONS -----	Historic Site Operations		19
STATE HISTORY CENTER -----	State History Center Operations State History Center Exhibits		36 40
REPAIR AND REPLACEMENT -----	Repair and Replacement		44
HISTORIC GRANT-IN-AID -----	Historic Grant-In-Aid Archaeology		51 54
FISCAL AGENTS -----	Sibley House Association Minnesota Humanities Commission Minnesota International Center Minnesota Military Museum Minnesota Air National Guard Museum Project 120		61 67 71 75 79 83

BHISTPRO.STR
1-6 AM

POSITION RECONCILIATION

AUTHORITY:

REQUESTED
CURRENT FOR 6/30/91

Legislative Complement:

General Fund	192.6	224.7
Federal	5.4	7.2
TOTAL POSITIONS	198.0	231.9

Employees on 6/30/88 = 341.0 *
* Employees counted as one regardless of the time they are employed.

MINNESOTA HISTORICAL SOCIETY
ORGANIZATIONAL CHART
7-1-88

POSITION SUMMARY	
CURRENT POSITIONS	198.0
NEW POSITION REQUEST	33.9
TOTAL	231.9

MINNESOTA HISTORICAL SOCIETY
EXECUTIVE COUNCIL

DIRECTOR

GENERAL OPERATIONS	
CURRENT POSITIONS	130.6
NEW POSITIONS REQUEST	9.0
TOTAL	139.6

HISTORIC SITE OPERATIONS	
CURRENT POSITIONS	53.4
NEW POSITION REQUEST	13.9
TOTAL	67.3

STATE HISTORY CENTER	
CURRENT POSITIONS	8.0
NEW POSITION REQUEST	11.0
TOTAL	19.0

REPAIR AND REPLACEMENT	
CURRENT POSITIONS	3.0

HISTORIC GRANT-IN-AID	
CURRENT POSITIONS	3.0

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. Its mission statement is as follows:

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 folk life 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.

OPERATIONS AND CLIENTELE:

The programs of the Minnesota Historical Society reach over 1,400,000 individuals each year. These individuals include members of the general public; school children; families; 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 society manages 96 facilities with gross square footage totaling 427,777. Annually the staff acquire, conserve, process and preserve thousands of additions to the collections each year, and address over 2,000 specific research inquiries. Over 100,000 school children participate in educational programs; 40,000 patrons are served by the library reference facilities; audiences totaling over 275,000 have viewed traveling exhibits; and 705,827 visited historic sites.

The programs of the Minnesota Historical Society are comprised of the following:

- Minnesota Historical Society Operations
- Historic Site Operations
- State History Center
- Repair and Replacement
- Historic Grant-In-Aid
- Fiscal Agents

The program titled **Minnesota Historical Society Operations** exists to collect, preserve, disseminate, and interpret the history of this state. During the 140 years since its establishment, the society has been the official guardian of the state's memory with its large collections on the state and its people. The society's activities and educational programs function to help people in all parts of the state define and understand Minnesota in all of its aspects as a community of 4,214,000 persons drawing strength from its past and giving purpose to its future.

The program titled **Historic Site Operations** preserves and makes available the heritage of Minnesota through historic site structures and programs, exhibits, archaeology, and historic preservation. These areas serve and educate visitors through a network of 32 sites and by offering professional and technical assistance. This program serves at least 1,000,000 people annually.

The program titled **State History Center** makes possible a facility that allows the society to provide expanded public service, public programs, greater access to collections, and a new state history museum. The History Center will offer stimulating exhibitions on a wide range of Minnesota topics, expanded educational programs and increased accessibility to the collections through a central reference facility.

The program titled **Repair and Replacement** provides for the ongoing 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 ongoing 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, nonprofit 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. Minnesota Humanities Commission;
3. Minnesota International Center;
4. Minnesota Military Museum;
5. Minnesota Air National Guard Museum; and,
6. Project 120.

The society functions as a conduit for the state in disbursing state funds to these organizations and monitoring their expenditures.

Details of the society's operation are provided on the program and activity pages which follow.

BUDGET ISSUES:

Recent trends and issues which affect the Minnesota Historical Society include:

1. The need to provide funding as planned to operate and maintain the State History Center.
2. Adequate funding for the state's historic site system.
3. The recognition that historic sites and historical resources are a vital state resource for promoting tourism -- one of the state's largest industries.
4. 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.

ATTORNEY GENERAL COSTS: None.

EXPLANATION OF BUDGET REQUEST:

Because of the diverse nature of programs, the interrelationship of those programs, and the variety of funding sources, the society's budget is complex. The Minnesota Historical Society submits a biennial total CHANGE request of \$8,065,000 which represents 4 basic sorts:

- 42% To adequately fund existing programs
- 17% State History Center
- 32% Granted to others
- 9% Legislative Commission on Minnesota Resource projects

The Minnesota Historical Society is in a period of transition due to the construction of the State History Center. Seventeen percent (17%) of the total CHANGE request is directly linked to this transition which represents new and expanded programs as described in detail in the State History Center narratives.

The programs Minnesota Historical Society Operations and Historic Sites Operations reflect 38% of the total CHANGE request and represent increases necessary to continue current programs and operations rather than new initiatives.

The CHANGE request for this program Repair and Replacement is necessary to continue current operations and work towards a level of funding that will allow the society to maintain its physical plant. This CHANGE request represents 4% of the total CHANGE request.

The CHANGE request for the program Historic Grant-In-Aid is 13% of the total request and represents a significant increase in funding for this program. The funding for this program does not support society programs but is granted to others for historic preservation statewide and to the state archaeologist.

The program Fiscal Agents represents 19% of the total CHANGE request. The funding for this program does not support the society's programs but is granted to the 6 organizations comprising this program.

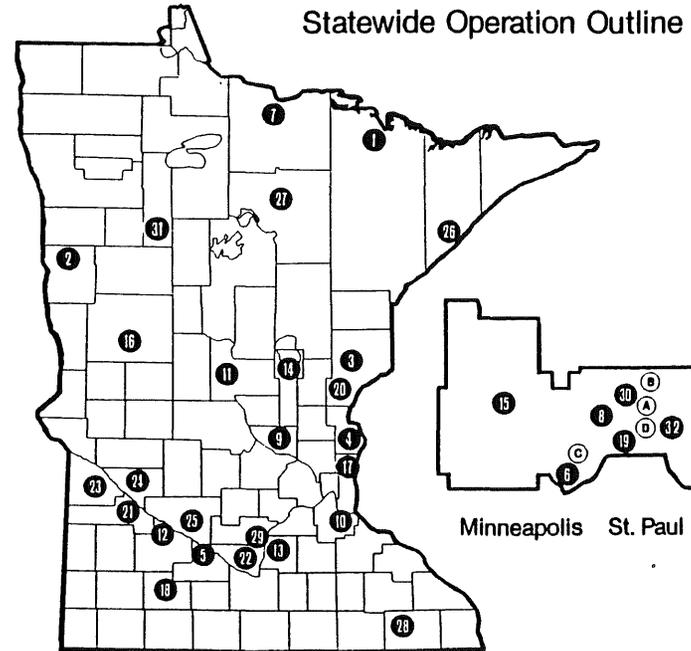
The Legislative Commission on Minnesota Resources (LCMR) is recommending an appropriation for various projects and programs funded from LCMR administered funds. Funding recommended for these projects is \$345,000 in F.Y. 1990 and F.Y. 1991. This represents 9% of the CHANGE request.

STATEWIDE OPERATION OUTLINE:

The map below is intended to display the statewide distribution of Minnesota Historical Society Operations.

MINNESOTA HISTORICAL SOCIETY

Statewide Operation Outline



OPERATIONS OFFICES

A. State History Center-Main
Historical Building, Mechanic Arts
Gymnasium and Parking Lot

B. Business Office & Research
Center

C. Fort Snelling Historic Complex

D. James J. Hill House.

6. Historic Fort Snelling

7. Griggs House

8. Grand Mound &
Interpretive Center

9. Oliver H. Kelley Farm

10. LeDuc House

11. Lindbergh House & Interpretive
Center

12. Lower Sioux Agency &
Interpretive Center

13. W. W. Mayo House

14. Mille Lacs Indian Museum

15. Minnehaha Depot

16. Morrison Mounds

17. Marine Mill Site

18. Jeffers Petroglyphs

19. Alexander Ramsey House

20. Stumme Mounds

21. Upper Sioux Agency

22. Harkin-Massopust Store

23. Lac qui Parle Mission

24. Fort Renville

25. Birch Coulee Battlefield

26. Split Rock Lighthouse

27. Forest History Center

28. Meighen Store

29. Traverse Des Sioux

30. Minnesota State Capitol

31. Itasca Headwaters Area

32. James J. Hill House

HISTORIC SITES

1. Bourassa Fur Post

2. Comstock House

3. Northwest Company Fur Post

4. WHC Folsom House

5. Fort Ridgely &
Interpretive Center

	<u>DIRECT</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>Historic Site Operations and Technical Assistance:</u>				
Site attendance	449	500	550	600
	705,827	719,944	734,342	749,029
 <u>Library Collections and State Archives Reference:</u>				
In-person patrons	21,707	20,000	20,000	20,000
 <u>Museum Collections and Reference Services:</u>				
In person patrons	123	75	75	75
 <u>Educational/School Services:</u>				
Teachers reached by work-shops, conferences	400	550	550	500
Film/Videotape audiences	16,200	18,000	18,750	19,500
Traveling exhibits audience	274,635	298,366	300,000	500,000
Museum lesson audience	16,601	7,750	8,300	8,820
 TOTAL	<u>1,035,493</u>	<u>1,064,685</u>	<u>1,082,017</u>	<u>1,297,894</u>

PUBLIC USE STATISTICS:

	<u>INDIRECT</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
<u>Historic Site Operations and Technical Assistance:</u>				
Individuals served through county and local historical organizations	32,500	32,500	35,000	37,000
 <u>Library Collections and State Archives Reference:</u>				
Reference inquiries	19,623	20,000	20,000	20,000
 <u>Museum Collections and Reference Services:</u>				
Research inquiries addressed	1,270	1,100	1,000	1,000
 <u>Educational/School Services:</u>				
<u>Roots</u> distribution	27,000	27,000	33,000	36,000
Educational catalogs distributed	18,000	18,000	18,000	18,000
No. of schools reached	2,139	2,139	2,139	2,139
 <u>Publications and Research:</u>				
Items distributed	80,678	75,800	76,000	76,200
 TOTAL	<u>181,210</u>	<u>176,539</u>	<u>185,139</u>	<u>189,339</u>

AGENCY: MINNESOTA HISTORICAL SOCIETY
(Continuation)

1990-91 Biennial Budget

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
BASE Level Request	\$ 26,991	\$ 26,991	
Agency-wide CHANGE Requests	-0-	-0-	---
Subtotal	\$ 26,991	\$ 26,991	
Program/Budget Activity CHANGE Requests			
Minnesota Historical Society Operations			
Management and Administrative			
Support	506	50	13
Collections Management and Use	855	55	15
County and Local Historical			
Outreach LCMR	80	80	17
Historical Data Base - LCMR	100	100	18
Subtotal	\$ 1,541	\$ 285	
Historic Site Operations			
Historic Sites	1,408	170	25
Meighen Store and LeDuc House			
Historic Sites	199	-0-	27
State Historic Preservation			
Office/Archaeology	130	-0-	28
Heritage Trails - LCMR	100	100	30
Heirloom Seeds - LCMR	40	40	31
Preservation of Historic			
Shipwrecks LCMR	74	74	32
Implement Plan for Archaeological			
Resources - LCMR	100	100	33
Subtotal	\$ 2,051	\$ 484	
State History Center			
Operations	630	437	38
Exhibits	765	325	42
State History Center Exhibit			
Planning - LCMR	200	200	43
Subtotal	\$ 1,595	\$ 962	
Repair and Replacement			
Repair and Replacement	336	200	47
Subtotal	\$ 336	\$ 200	
Historic Grant-In-Aid			
Grant-In-Aid	672	-0-	53
State Archaeologist	378	-0-	56
Subtotal	\$ 1,050	\$ -0-	

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's Recommendation	
	1990-91 Biennium All Funds	1990-91 Biennium All Funds	
Fiscal Agents			
Sibley House - Operating Expenses	120	30	63
Sibley House - Archaeology	50	-0-	65
Sibley House - Repairs	50	40	66
Minnesota Humanities Commission			
Humanities Center Implementation	1,200	-0-	69
Minnesota International Center			
Project Interact	10	-0-	74
Minnesota Military Museum -			
Operating Expenses	32	-0-	78
Minnesota Air National Guard -			
Program Expenses	10	-0-	82
Project 120 - Program Operations	20	-0-	86
Subtotal	\$ 1,492	\$ 70	
CHANGE Requests Subtotal	\$ 8,065	\$ 2,001	
AGENCY Total	\$ 35,056	\$ 28,992	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
MHS OPERATIONS	7,250	7,481	7,946	740	8,686	8,086	7,946	801	8,747	8,091
HISTORIC SITE OPERATIONS	4,117	4,318	4,244	1,044	5,288	4,486	4,245	1,007	5,252	4,487
STATE HISTORY CENTER	104	271	279	718	997	479	279	877	1,156	1,041
REPAIR AND REPLACEMENT	224	505	393	213	606	493	393	123	516	493
HISTORIC GRANT-IN-AID	402	474	396	525	921	396	396	525	921	396
FISCAL AGENTS	262	232	262	750	1,012	297	212	742	954	247
TOTAL EXPENDITURES	12,359	13,281	13,520	3,990	17,510	14,237	13,471	4,075	17,546	14,755
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	9,680	10,404	10,916	3,643	14,559	11,286	10,866	3,728	14,594	11,803
MN RESOURCES	88	255	0	347	347	347	0	347	347	347
STATUTORY APPROPRIATIONS:										
SPECIAL REVENUE	104	130	110	0	110	110	111	0	111	111
FEDERAL	469	474	476	0	476	476	476	0	476	476
GIFTS AND DEPOSITS	2,018	2,018	2,018	0	2,018	2,018	2,018	0	2,018	2,018
TOTAL FINANCING	12,359	13,281	13,520	3,990	17,510	14,237	13,471	4,075	17,546	14,755
POSITIONS BY FUND:										
GENERAL	185.7	192.6	192.6	26.1	218.7	198.6	192.6	32.1	224.7	203.6
FEDERAL	5.4	5.4	5.4	0.0	5.4	5.4	5.4	0.0	5.4	5.4
TOTAL POSITIONS	191.1	198.0	198.0	26.1	224.1	204.0	198.0	32.1	230.1	209.0

PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS 1990-91 Biennial Budget
Agency: MINNESOTA HISTORICAL SOCIETY

PROGRAM PURPOSE:

1. To provide organizational support and institutional management, both programmatical and financial, to all society programs and activities in pursuing the agency purpose in accordance with state law and the society's 1849 Territorial Charter.
2. To collect, preserve, disseminate, and interpret the history of Minnesota through the operations of library/archives, and museum collections, conservation, preservation and use, educational programs, and a variety of publications.

The Minnesota Historical Society Operations Program provides services in 2 program areas:

1. management, administrative, financial support; and,
2. collection management and use.

Administration of the Minnesota Historical Society is the responsibility of the society's director. Two deputy directors, one for finance and planning, the other for interpretive programs, and four assistant directors have authority for implementing all society programs and supervise 18 department supervisors. Department staff are trained to carry out all programs.

DESCRIPTION:

1. Management, Administrative and Financial Support provides program planning, establishment of financial strategies and policies, operating policies and procedures, and the setting of institutional priorities for all society programs and operations.

Financially this includes:

1. structure and control all financial resources in accordance with state and federal law. This includes budgeting, financial analysis and accounting services in accordance with generally accepted accounting principles;
2. management information systems development;
3. establish manpower planning and administer personnel/payroll policies and procedures;
4. establish and administer contracting and purchasing policies and procedures;
5. establish and administer policies and procedures as they relate to the society's 96 buildings;
6. establish and administer policies and procedures as it relates to the leasing of space in which to conduct the society's programs;
7. establish and administer policy and procedure for the stockroom and

mailing functions;

8. establish and administer the membership program;
9. establish and administer policies and procedures for order processing for books, microfilm, and museum shops program; and
10. function as fiscal agent for various activities specifically authorized by the governor and the legislature.

Programmatically this includes:

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. implement and administer the authorized legislative programs;
4. coordinate inter-governmental contacts and serve as liaison with other state and federal agencies;
5. represent the society in legal actions;
6. work with the governor's office, executive branch of government, and the legislature on statewide historical preservation policies and programs;
7. work with colleges, universities, public and private schools; and 300 county, local, and private historical organizations;
8. develop, with the assistance of the State Department of Finance, the Biennial Budget Request for presentation to the governor and the legislature; and
9. establish and administer policies and procedures as they relate to public information.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. programs managed	5	6	6	6
No. activities managed	12	13	13	13
No. budgets managed	140	148	160	170
Facilities managed:				
Buildings	96	96	96	96
Total gross square feet	427,777	427,777	427,777	427,777
Personnel administration, FTE	242	259	259	259
No. fiscal agents served	6	6	6	6

2. Collections Management and Use Entrusted to its care, the Minnesota Historical Society holds evidence of our past represented by rare and historically unique items. Materials are constantly added to the holdings of the society, which include books, maps, 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. A heightened consciousness of the need to conserve, as well as to preserve, the society's collections is apparent. To ensure the survival of +

(Continuation)

Y: MINNESOTA HISTORICAL SOCIETY

precious items for future generations the administration must closely work with a number of constituencies on issues related to preservation and interpretation of the state's history. The audiences reached include the general public, special interest groups, historic preservationists, business people, collectors, authors, genealogists, researchers, the state's primary and secondary schools, academic institutions, libraries, more than 300 county, local, and private historical organizations, state government, including the governor's office, government officials and the legislature.

Functional areas are described below:

- a. 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. State law designates some of the material such as public records, and other material is generated as a result of the society's activities. All items are evaluated for relevance, preservability, and historical value by staff before they are acquired.

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 available to 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. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of acquisitions:				
Library books and other items	1,546	1,500	1,500	1,500
Photographs	2,956	2,500	2,500	2,500
Works of art	129	100	100	100
State archives (cubic feet)	1,531	1,400	1,300	1,300
3-dimensional Museum artifacts	28,129	93,585*	28,500	28,500
Processing (cubic feet):				
Government records	1,712	2,000	2,000	2,000
Manuscripts	1,025	1,200	1,200	1,200
Published materials cataloged	7,053	9,000	9,000	9,000
Photographs/artwork processed	4,832	5,000	5,000	5,000
Artworks repaired	5	3	3	3

* Note: Includes West River Parkway items.

- b. 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 through such means as the use of acid-free containers and secure storage covers. Other conservation/preservation techniques includes activities such as 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. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Manuscripts and Documents treated (newspaper leaves, maps, posters, etc.)	3,319	2,900	2,900	2,900
No. master microfilm rolls produced	10,902	12,000	12,000	12,000
Black/white prints produced	9,831	10,000	70,000	70,000
Total books repaired/rebound	465	400	400	400

- c. Use of the Collections: 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. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
In-person patrons served	21,707	20,000	20,000	20,000
No. phone & correspondence inquiries addressed	19,623	20,000	20,000	20,000
No. collections used by public	87,439	90,000	90,000	90,000
Inter-library loans	4,393	5,000	5,000	5,000

- d. Interpretation Through Publications and Education: The society also disseminates information through research, publication, and distribution of printed materials which interpret state, regional, and local history to the general public, school children, and teachers. These materials provide authoritative information on the history of Minnesota and the Upper Midwest region to 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 artworks. The program initiates original research for future publications, encourages research and writing by

PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS 1990-91 Biennial Budget
 (Continuation)
Agency: MINNESOTA HISTORICAL SOCIETY

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, including Roots magazine 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, and through visits by students to the society for participation in museum lesson programs available on a variety of topics. Teacher training and in-service programs related to the study of state history are provided. All of 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. A major textbook on Minnesota History, NORTHERN LIGHTS, currently is being written and will be available to the schools in 1989.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y.1990</u>	<u>F.Y.1991</u>
No. publications sold/distributed	80,678	75,800	76,000	76,200
Minnesota History magazine distribution	33,800	33,600	33,600	33,600
Manuscripts (mss.) reviewed:				
No. mss. acquired for publishing	12	15	15	15
No. mss. proposals evaluated	80	85	90	100
No. schools reached	2,139	2,139	2,139	2,139
Roots magazine distribution	27,000	30,000	33,000	36,000
Teachers reached by in-service programs, workshops, courses	400	550	550	600
No. students attending museum lesson programs	15,951	7,000	7,500	8,000

BUDGET ISSUES:

1. To stabilize the society's oral history program.
2. To initiate an internal auditing function.
3. To inform the public of the resources and programs the society has to offer.
4. To respond to the need for leased space to house society programs resulting from the construction of the courts building.
5. To open the reference library one evening per week.

EXPLANATION OF BUDGET REQUEST:

Four CHANGE request items are requested for this program. \$229,000, including 3.0 positions in F.Y. 1990 and \$277,000, including 4.0 positions in F.Y. 1991 are requested to:

1. establish an allotment and encumbrance type system for non-state funds;
2. conduct program audits;
3. develop a capital assets system;
4. provide training;
5. support the society's development effort; and
6. promote society's programs.

\$421,000, including 4.0 positions, in F.Y. 1990 and \$434,000, including 5.0 positions, in F.Y. 1991 are requested to:

1. meet the acquisition need;
2. establish a program for oral history;
3. process, evaluate, conserve, catalog, and document the collections;
4. allow the reference library at 690 Cedar Street to open 1 evening each week;
5. establish a Women's History Research Project and Grant Program; and,
6. provide support services to the programs.

The Legislative Commission on Minnesota Resources is recommending an appropriation of \$90,000 in F.Y. 1990 and F.Y. 1991.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$50,000 and 1.0 position for an internal audit function; and \$55,000 to establish a Women's History Research Project and grant program.

While the Governor recognizes the authority of the Minnesota Futures Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the Legislature, the Governor's budget does reflect these recommendations in this program as follows: a biennial increase of \$80,000 for county and local outreach and \$100,000 for a historical data base.

While the remaining requests have merit, other spending priorities preclude the Governor from recommending additional funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : MHS OPERATIONS
BUDGET ACTIVITY : GENERAL OPERATIONS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	4,607	4,850	5,185	225	5,410	5,210	5,185	296	5,481	5,210
EXPENSES/CONTRACTUAL SRVCS	1,865	1,882	2,015	463	2,478	2,130	2,015	426	2,441	2,120
MISC OPERATING EXPENSES	312	294	292	2	294	292	292	2	294	292
SUPPLIES/MATERIALS/PARTS	272	256	255	10	265	255	255	21	276	270
CAPITAL EQUIPMENT	170	174	174	40	214	174	174	36	210	174
STATE OPERATIONS	7,226	7,456	7,921	740	8,661	8,061	7,921	781	8,702	8,066
AIDS TO INDIVIDUALS	24	25	25	0	25	25	25	20	45	25
TOTAL EXPENDITURES	7,250	7,481	7,946	740	8,686	8,086	7,946	801	8,747	8,091
CHANGE REQUESTS: FUND										
B MANAGEMENT & ADMINISTRATIVE SUPPORT				229		25		277		25
B COLLECTIONS MANAGEMENT & USE				421		25		434		30
B COUNTY & LOCAL HISTORICAL OUTREACH				40		40		40		40
B HISTORICAL DATABASE				50		50		50		50
TOTAL CHANGE REQUESTS				740		140		801		145
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	5,882	6,079	6,656	650	7,306	6,706	6,656	711	7,367	6,711
MN RESOURCES	78	112	0	90	90	90	0	90	90	90
STATUTORY APPROPRIATIONS:										
FEDERAL	132	132	132	0	132	132	132	0	132	132
GIFTS AND DEPOSITS	1,158	1,158	1,158	0	1,158	1,158	1,158	0	1,158	1,158
TOTAL FINANCING	7,250	7,481	7,946	740	8,686	8,086	7,946	801	8,747	8,091
POSITIONS BY FUND:										
GENERAL	128.5	130.3	130.3	7.0	137.3	131.3	130.3	9.0	139.3	131.3

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : MHS OPERATIONS
BUDGET ACTIVITY : GENERAL OPERATIONS

POSITIONS BY FUND:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
FEDERAL	0.3	0.3	0.3	0.0	0.3	0.3	0.3	0.0	0.3	0.3
TOTAL POSITIONS	128.8	130.6	130.6	7.0	137.6	131.6	130.6	9.0	139.6	131.6

CHANGE REQUEST 1990-91 Biennial Budget
 ___ Agency ___ Program X Activity

Agency: GENERAL OPERATIONS
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: MANAGEMENT AND ADMINISTRATIVE SUPPORT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 229	3.0	\$ 277	4.0
Governor's Recommendation				
General Fund	\$ 25	1.0	\$ 25	1.0

Request requires statutory change: ___ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to manage its financial and human resources, inform the public of services available for their use and enjoyment, and continue in the effort to raise non-state funds.

DESCRIPTION/BACKGROUND:

There is a need for additional resources in order to respond to the growth and complexity of the society's overall accounting systems. The society currently works with 5 distinct accounting systems which are all integrated at the agency level in terms of the society's financial reports, plan, 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. The society needs to:

1. to establish an allotment and encumbrance system for non-state funds;
2. to review the capital assets reporting system;
3. to establish a function for program audits; and,

4. to continue its pursuit of non-state funds.

Also a part of this program is the human resources department which is comprised of 3.0 staff persons whose responsibilities include personnel policy development and implementation, salary administration, payroll processing, employee training and development, compliance with state and federal regulations, staff recruitment and hiring, employee orientation and counseling, position description review and classification, performance evaluation system, and benefits administration.

The society's programs are diversified and statewide so it is the responsibility of the information office to coordinate a common public image. It is the work of this office to inform the public of these programs inviting broad based participation. History is one of the state's natural resources. It is important to reach Minnesotans to inform them of the vast services the society has to offer them for their education and enjoyment.

The society's development office is currently funded by a combination of state and non-state funds designated for that purpose. This request asks the state to continue to provide partial funding for this office in pursuit of a long-range financial strategy to secure an ongoing base of non-state funds.

The immediate objectives of the development office are to:

1. to respond to the challenge to raise \$5,000,000 to match the states \$50,000,000 appropriated to construct the State History Center;
2. to reach beyond that goal and raise non-state funds to construct exhibits in the Center; and,
3. to identify and pursue major and long-term gifts in order to increase the institutional endowment fund.

The state's support is vital to history, therefore, the efforts of this office focus on those programs and activities which are essential to fulfillment of the society's mission, but which traditionally have been outside the interest of state funding. Private support is not an alternative but a complement to state support.

A capital campaign has been undertaken to raise the matching funds required to release state funds for construction of the State History Center. An automated donor record system will be used to capture, manipulate, access, and store information regarding donors and potential donors. This system will serve as a common database to meet the 3 objectives stated above.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Program audits completed	-0-	-0-	6	6
Training programs conducted	-0-	-0-	8	8
State Fair visitors reached	-0-	-0-	200,000	200,000

RATIONALE:

The following is a statement of reasons why this CHANGE request should be funded:

1. A position and contract funds are needed so that the society's central

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity
 (Continuation)

ACTIVITY: GENERAL OPERATIONS
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

finance and planning program can manage resources in the most efficient and effective way possible. The society would use these funds to:

1. establish an allotment and encumbrance type accounts payable system for non-state funds so that the society can manage these funds on an institutional basis along with state funds. Activity within the institutional fund would be budgeted to control the general operations of the society and to parallel state activity. Annual work plans would be developed for restricted funds to establish budgeted activity and enhance cash management. This process within non-state funds would promote accurate forecasts of investment income and other revenue sources;
2. to conduct program audits which would evaluate accomplishments within funding provided and funding purpose; and
3. to develop a capital asset system.

The funding request is \$100,240 for F.Y. 1990 and \$100,270 for F.Y. 1991.

2. It is the function of the human resource department to offer training opportunities to MHS staff. Training is necessary since the society has a central financial and business operation. Common system and procedures have been developed to assure compliance and to facilitate the work flow. It is necessary to train staff in a number of areas that are required for job performance. Examples are:

1. MHS Policy and Procedure Manual;
2. MHS Personnel Manual;
3. Position description writing;
4. orientation of new employees; and
5. contracting and purchasing.

The funding request is \$35,000 for each fiscal year.

3. The society has identified several ways in which it can increase its visibility in the state in order to reach as many Minnesotans as possible. Funds requested would be allocated:

1. to establish a presence at the State Fair, which is possibly the best way to reach the most people. Space would be leased in the grandstand building, a booth would be constructed and staffed with those knowledgeable in society programs, and services. A comprehensive brochure would be developed and printed for distribution;

2. to purchase paid advertising and print brochures; and,
3. to produce several basic institutional public service announcements for distribution to radio and television stations. The Public service announcements are aired free-of-charge by the stations but must be produced by the society.

The funding request is \$70,000 for each fiscal year.

4. The state should fund this request for positions in the development office so that the society can develop a long-term funding base from non-state sources. This state support can leverage financial support from the private sector. A position is requested to input and maintain the donor information into a database. A position is also requested to coordinate/solicit major contributions for exhibit construction, and the endowment fund.

The funding request is \$23,615 for F.Y. 1990 and \$71,990 for F.Y. 1991.

Future growth of the development office will be entirely supported with non-state funds.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 2,058	\$ 2,020	\$ 2,123	\$ 2,123
General Fund Positions	39.6	41.1	41.1	41.1

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 277	\$ 277	\$ 554
General Fund Positions	4.0	4.0	4.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$50,000 and 1.0 position for an internal audit function to ensure that the Society has adequate controls in place to protect their financial resources and their valuable collections.

While the remaining requests have merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

AC: GENERAL OPERATIONS
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: COLLECTIONS MANAGEMENT AND USE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 421	4.0	\$ 434	5.0

Governor's Recommendation

General Fund	\$ 25	-0-	\$ 30	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to provide an adequate funding base to collect, conserve, house, and interpret historical materials so they may be used by the public.

DESCRIPTION/BACKGROUND:

Acquisition of historical material involves seeking and accepting gifts as well as purchasing items on the market. Some material is acquired by the society, some, such as government records is received pursuant to state law. All material is evaluated for relevance, preservability, and historical value before it is acquired. Through this process the Society identifies and solicits the historically valuable materials needed to document Minnesota history.

Once acquired, the materials must be processed. This involves the application of appropriate conservation techniques, development of bibliographic information, organization and storage of the collections and development of card catalogs, computer data bases and other finding aids.

The collections are used by the public in 5 reference facilities. Some of the collections such as books, state archives, and manuscripts enjoy national use through the entering of catalog information into databases for automatic retrieval in many libraries across the country.

The collections are also used by society program staff in order to interpret the Minnesota story through a variety of publications, exhibits, educational programs, and historic sites.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
In-person patrons	21,707	20,000	21,000	000
Oral history (hrs. of interviews)	64	0	50	50
Oral history (page of transcripts)	1,399	0	1,000	1,000
Artworks repaired	5	3	23	23
Processing:				
Gov't records	1,712	2,000	2,400	2,400
Manuscripts	1,025	1,200	1,500	1,500
Item cataloguing:				
Published materials	10,983	7,053	25,000	25,000
Manuscripts	245	200	840	840

RATIONALE:

The following is a statement of reasons why this change request should be funded:

1. Additional acquisition funds are required to keep pace with the dramatic increase in the cost of subscriptions for journals, newsletters, magazines, and other serial publications. Without state funding, the society will not be able to purchase books such as basic reference works and publications on Minnesota history. This would lead to an incomplete collection from which to document the state's history and the inability to offer these books to the public and MHS staff for research purposes. For several years the society has benefited from generous grants to purchase these collections from the Bush Foundation. Pursuant to Bush grant guidelines the society is not eligible for another grant at this time. A position is requested to seek out 3-dimensional artifacts by investigative research, contacting potential donors, compiling acquisition data and validating available information. The funding request is \$60,575 for F.Y. 1990 and \$60,592 for F.Y. 1991.
2. Oral history is mandatory for the documentation of the 20th century. This CHANGE request is necessary to establish an oral history program in order to meet this ongoing need. The public's requests for workshops and information on oral history continue to expand, as do the number of suggestions and requests for oral history interviews. Without this funding, the society cannot respond to these requests. The funding request is \$47,575 for F.Y. 1990 and \$47,592 for F.Y. 1991.
3. Processing of the collections involves a number of steps. Those requiring additional funding are set forth below:
 - a. Evaluation and Conservation Contract funds are often the most efficient way to provide needed assistance without committing to full-time positions. These funds are requested for the processing and selective disposition of records so that the permanent documents can be cataloged, conserved, and available for public use. Contract funds can also be used to provide specialized conservation treatment that the current facilities and staff are not able to perform. Conservation of the art collection cannot be accomplished by MHS since the conservation laboratories are not equipped for this purpose. The artwork must be sent out for repairs, including cleaning, lining, restoration, and framing of paintings. Without this work, the paintings suffer further deterioration and are not available for public viewing.

CHANGE REQUEST _____ Agency _____ Program X Activity
 (Continuation)

1990-91 Biennial Budget

ACTIVITY: GENERAL OPERATIONS
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

Conservation also requires funds to support the general operation. This includes clerical support, moving of artifacts, and pest control.

There is a specific need to treat and conserve legislative hearing audio tapes. This project consists of treating approximately 25% of a collection of some 6,000 audio reel-to-reel tapes of Minnesota state legislative hearings. These tapes are moldy, a result of water damage while in storage several years ago prior to their transfer to MHS. These tapes cannot be used until they are cleaned because they will contaminate the tape players. Each of the tapes must be examined, the moldy tapes identified, cleaned individually by hand, put on new reels, and rewound to proper storage tension. Once this is accomplished the tapes can be used.

The funding request for 3(a) is \$161,210 for F.Y. 1990 and \$149,724 for F.Y. 1991.

b. Cataloging A serials control system is a one time expenditure necessary to replace the current manual system with an automated serials control subsystem. This installation will add efficiency and control the size, cost, and complexity of this function as well as provide patrons with timely information about the availability of current materials.

In 1976 the society began to catalog its books and manuscripts in preparation for the society's goal of a common cataloging system for all collections, and to enter this information in databases. Catalog information for records and books acquired prior to 1976 must be converted to machine readable form so they may be entered into databases. Through a LCMR project the society is preparing for a central reference facility with on-line access to all of the society's collections. During 1989 approximately 20,000 books will be converted with these LCMR funds. Remaining to be converted are still at least 120,000 books, 3,000 older manuscript collections and 2,000 railroad series.

The funding request for 3(b) is \$58,100 for 1990 and \$53,300 for F.Y. 1991.

c. Photographer It is necessary to photograph the society's 3-dimensional collection of artifacts for several reasons. Photographs are a tool used to document the Society's 3-dimensional artifact collection. Often times the photographs can then be used by researchers instead of the actual item which cuts down on the wear and tear of the artifacts, reduces repair and conservation costs, and ensures preservation for future generations.

The funding request is \$25,094 for F.Y. 1991.

4 present the society's public reference rooms at 690 Cedar Street are

open to the public during daytime working hours and Monday evening. Saturdays are available but are always crowded. Parking during the day is extremely difficult due to judicial building construction. The society would like to stay open one evening each week to serve this public need.

The funding request is \$37,760 for each fiscal year.

5. The society would like to establish a Women's History Research Project and Grant Program. The governor's 1986 Women's History Task Force stimulated tremendous interest in preserving and promoting women's history. The society shares this commitment and proposes to conduct a 2-stage project. The first stage would be the planning phase which would survey sources and literature, identifying of gaps in the society's collections of women's history materials and published work, and recommendation of plans or ways to fill these gaps. Stage two would promote statewide scholarships in women's history, and use of the society's collections through grants to scholars for women's history projects.

The funding request is \$25,000 for F.Y. 1990 and \$30,000 for F.Y. 1991.

6. Support services are required to produce printed materials such as books, magazines, and catalogs. Such services would be in the form of:

1. clerical assistance in Publications and Research which has a heavy volume of manuscript typing, and
2. design and author assistance of educational publications targeted especially for school children. Education is a high priority in our state. The Society needs to keep pace with this effort.

The funding request is \$30,387 for F.Y. 1990 and \$30,398 for F.Y. 1991.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 352.7	\$ 374.2	\$ 396.1	\$ 396.1
General Fund Positions	89.0	89.3	89.3	89.3

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$431	\$431	\$862.0
General Fund Positions	5.0	5.0	5.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$55,000 for a women's history research project and grant program.

While the remaining requests have merit, other spending priorities preclude additional funding.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

AC: GENERAL OPERATIONS
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: COUNTY AND LOCAL HISTORICAL OUTREACH

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Legislative Commission on Minnesota Resources(LCMR)	\$ 40	-0-	\$ 40	-0-

Governor's Recommendation

Legislative Commission on Minnesota Resources (LCMR)	\$ 40	-0-	\$ 40	-0-
--	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To educate county and local historical organizations as it relates to preservation principles, techniques, and options available to their collections.

DESCRIPTION/BACKGROUND:

County and local historical societies and libraries across the state need information on preservation principles and practical preservation options for their collections. This change request would help smaller public institutions begin to formulate preservation plans, survey their collections, assess the environment of their facilities, develop disaster plans, write grant requests, and establish collections use and handling procedures.

The project would consist of an individual trained in conservation principles who would visit institutions throughout the state discussing steps that can be taken within available resources. This position would serve as a clearinghouse for preservation and conservation technical assistance, referring interested institutions to service providers when possible.

Another aspect of this project would be the availability of environmental test kits. Such kits would contain equipment too expensive for small institutions to purchase but necessary to test the physical environment, which is key to the long-term preservation of collections.

RATIONALE:

There are over 675 county and local historical organizations and libraries in Minnesota, all with rare historical materials in need of conservation. Such

a need is of near crisis proportions, because such organizations do not have the staff specialists trained in modern day conservation techniques and processes. The collections of these organizations will be better preserved and the administration improved and their conservation efforts more efficient through this type of coordinated outreach project.

The Minnesota Historical Society has developed extensive technical skills, and is nationally recognized for such skills. The time has come to teach others how to be more efficient, thereby providing a much needed shift in the responsibility of collecting and preserving the state's history to other institutions in greater Minnesota. By leveraging our expertise to others, we can ultimately reduce the overall cost of our state's history and preservation program. In addition, this initial effort will stimulate local matching funds by the various organizations participating.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: GENERAL OPERATIONS
 PROGRAM: MINNESOTA HISTORICAL SOCIETY OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: HISTORICAL DATABASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Legislative Commission on Minnesota Resources (LCMR)	\$ 50	-0-	\$ 50	-0-
Governor's Recommendation				
Legislative Commission on Minnesota Resources (LCMR)	\$ 50	-0-	\$ 50	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To organize and automate one quarter of the collections, which will increase public awareness and significantly improve management of rare materials.

DESCRIPTION/BACKGROUND:

With last year's LCMR grant, the Minnesota Historical Society has developed specifications for and begun implementation of an automated system which will provide broader public access to its research collections and improve the internal management of those resources. Funding is requested for the next 2 years to continue implementation of the project.

The objectives of this project are to automate the records of the collections of the society so that they will be known to researchers across the state and so that the collections will be better managed. By the end of F.Y. 1989, approximately 25% of the library and archives' collections will be automated. If this request is funded, another 25% will be completed. All automated records will be on-line in the Minnesota State University System Project for Library Automation (MSUS/ PALS) system, which is operational in the state university and community college libraries across the state.

This project will also continue to coordinate the databases of the museum collections and Research Libraries Information Network (RLIN) working toward a coordinated "central reference" of all of MHS' historical collections. When completed, the database will be available across the state and in many parts of the country.

RATIONALE:

Assistance in accelerating this project will greatly enhance the public's use and access to all of the society's rich historical materials--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. Participation in the MSUS/PALS networks and the Research Library Group's RLIN database will enhance in-house retrieval of and provide statewide access to those portions of the society's published and archival collections for which machine-readable descriptions are currently available.

The National Historical Publications and Records Commission/ Research Libraries Group (NHPRC/RLG) grant was used this biennium for automating the records of the state archives, which will be on-line in the RLIN system at the society. It is felt similar grants will be available for the coming biennium.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Legislative Commission on Minnesota Resources (LCMR) Expenditures	\$ 33	\$ 67	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

PURPOSE:

1. To acquire, preserve, and interpret the most significant historic sites in Minnesota, in order to make the state's history available to the citizens of our state.
2. To produce historical exhibits which interpret Minnesota's history and its manifestation on the regional, national, and international level.
3. To encourage the development of local history organizations and 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.

OPERATIONS:

The Historic Sites Operations Program provides service in four program areas: Historic Sites, Interpretive Exhibits, Field Services and Archaeology, and the State Historic Preservation Office.

Administration of this program is the responsibility of the deputy director of interpretive programs, an assistant director, and four department supervisors. Department staff are trained to carry out all programs. This includes a manager for each historic site with the appropriate compliment of staff to operate each site that is open to the public.

PROGRAM DESCRIPTION:

Over one million visitors are educated and served biennially by this program. The heritage of Minnesota is made available through facilities, such as historic structures and interpretive centers; archaeological resources; exhibits; technical assistance to local history organizations; and administering state and federal programs for identifying, evaluating, registering, and treating historic properties in Minnesota. The clientele includes families, tourists, school children, scholars, the general public, 300 historical organizations, and state, county and local units of government. This program operates in 4 functional areas:

1. Historic Sites:

The state's heritage is made available to the people through programs that are rich in historical content and employ a variety of interpretive techniques. These programs are intended to both educate and entertain the visitor. Although less than half of the state's historic sites are fully developed, over a million visitors are served biennially by this network of sites that stretch across the state. The MHS owns, and/or administers 31 major historic sites which include historic houses, historic structures, interpretive centers, and museums. These sites offer public programs including tours, living history interpretation, exhibits, and site related special events.

In order to acquire, preserve, and interpret the most significant historic sites in Minnesota, it is the objective of this program to:

- a. manage the state's historic sites system;
- b. identify historically significant sites for inclusion in the network of historic sites;
- c. move these sites through the development stage to the operations phase so that they may be appreciated by the public;
- d. provide significant economic benefits for the community or region in which each site is located;
- e. expand 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; and
- f. provide an interpretive program for Itasca in accordance with M.S. 138.025, Subd. b.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. sites	32	32	32	33
No. sites managed by society	27	27	27	27
Sites managed by others	5	5	5	5
Sites requiring development	24	24	24	24
No. sites closed to public	3	3	3	3
Total site attendance	705,827	719,944	734,342	749,029

2. Interpretive Exhibits:

In order to produce historical exhibits it is the objective of this program to:

- a. manage and implement the society's exhibits program;
- b. produce historical exhibits which interprets Minnesota history through a multi-media approach installed in exhibits, museums, historic sites, and interpretive centers;
- c. produce audio-visual and printed materials for school children and adult visitors; and
- d. provide traveling exhibits for circulation to museums, libraries, schools, and community organizations.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Exhibit audience	298,336	300,000	300,000	300,000
Film and videotape showings	600	625	650	650

PROGRAM: HISTORIC SITE OPERATIONS
 (Continuation)
 Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

3. Field Services and Archaeology:

In order to encourage the development of local history organizations, it is the objective of this program to:

- a. 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;
- b. disseminate information through publication of the Interpreter, a monthly newsletter and through other printed materials and public programs, and hosting an Annual History Conference; and
- c. to provide archaeological expertise to historic sites owned and/or managed by the Minnesota Historical Society.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
County and local societies served	325	330	335	340
Interpreter newsletter distribution	1,800	2,000	2,200	2,300

4. State Historic Preservation Office:

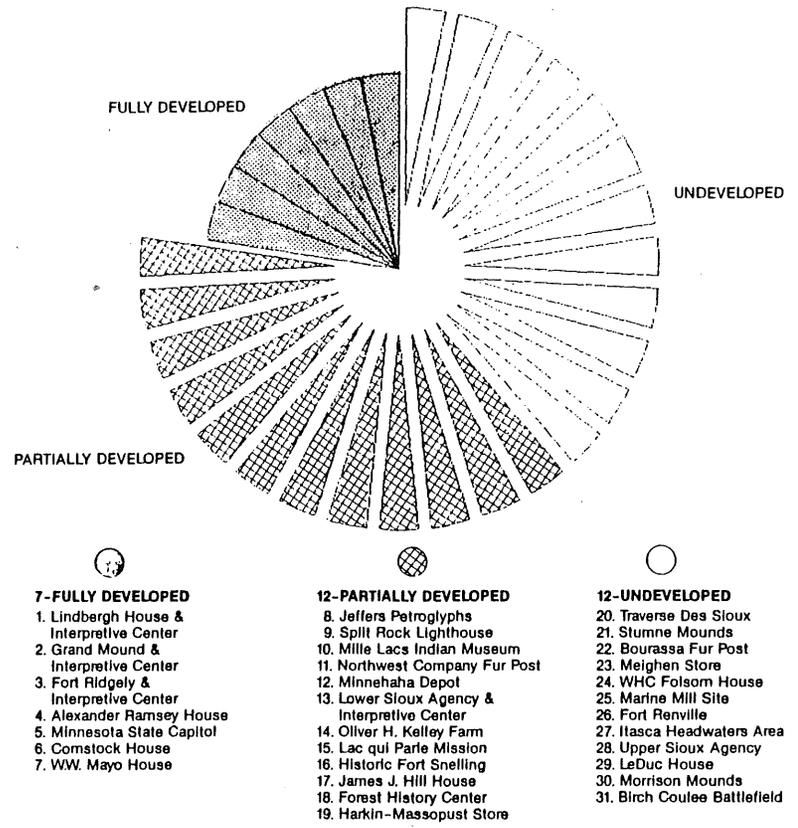
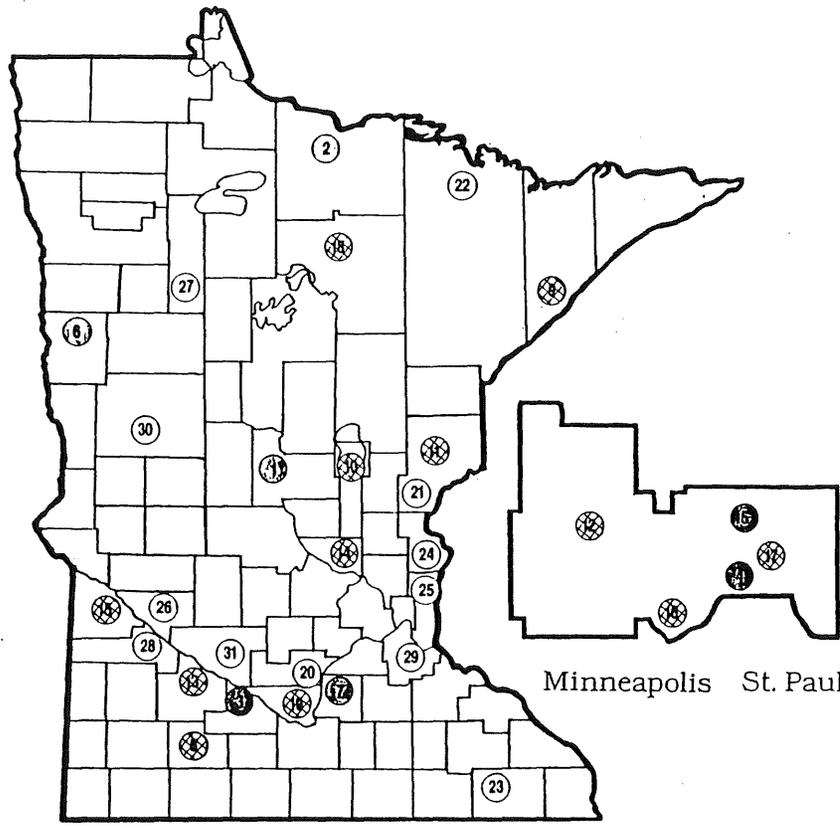
In order to administer the National Historic Preservation Act and Program, and maintain the National and State Register of Historic Places, it is the objective of this program to:

- a. perform 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. conduct environmental reviews, administer the federal preservation tax benefit program, and provide technical and fiscal assistance to the state's 181 local heritage preservation commissions; and,
- c. develop a comprehensive planning process to coordinate all aspects of this program.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. sites added to National Register	17	20	20	20
Environmental review requests	1,995	2,500	3,000	3,000
Local historic preservation commissions	25	30	40	50
Technical workshops conducted	12	12	12	12

BUDGET ISSUES:

1. Re-establish funding needed to operate the state's historic sites system.
2. Recognize the economic impact the historic sites have on the states large tourism industry.
3. To inform the public of the historic sites available for their use.
4. Pursuant to 1987 Session Laws of Minnesota, Chapter 384, Art. 3, Sec. 39, Subd. 1, the Society is conducting a Historic Sites Study as follows: "The Minnesota historical society shall conduct an interim study, in cooperation with county historical organizations of their choice and the department of finance, to determine changes and revisions required in the Historic Sites Act of 1965. The study shall identify those historic sites that merit preservation and interpretation and include a plan for financing their development and operations. The study shall include recommendations by the society on which sites should charge admission fees and the amount of the proposed fee, by site. The historical society shall report the results of this study to the chairs of the senate finance committee and house of representatives appropriations committee, and the governor by 7-1-88."
5. Plan and produce exhibits in historic sites and interpretive centers.
6. Take advantage of available federal support for historic preservation in Minnesota through the State Historic Preservation Office.
7. Continue the development of the state's historic site program enacted in 1965. The map and diagram following illustrates the geographical distribution of the historic sites and indicates their current stage of development. The definition of development includes structures, program and the site in terms of roadways, parking, landscaping, and handicapped access.



- 7 - FULLY DEVELOPED**
- 1. Lindbergh House & Interpretive Center
- 2. Grand Mound & Interpretive Center
- 3. Fort Ridgely & Interpretive Center
- 4. Alexander Ramsey House
- 5. Minnesota State Capitol
- 6. Comstock House
- 7. WW. Mayo House

- 12 - PARTIALLY DEVELOPED**
- 8. Jeffers Petroglyphs
- 9. Split Rock Lighthouse
- 10. Mille Lacs Indian Museum
- 11. Northwest Company Fur Post
- 12. Minnehaha Depot
- 13. Lower Sioux Agency & Interpretive Center
- 14. Oliver H. Kelley Farm
- 15. Lac qui Parle Mission
- 16. Historic Fort Snelling
- 17. James J. Hill House
- 18. Forest History Center
- 19. Harkin-Massopust Store

- 31 - UNDEVELOPED**
- 20. Traverse Des Sioux
- 21. Stumme Mounds
- 22. Bourassa Fur Post
- 23. Meighen Store
- 24. WHC Folsom House
- 25. Marine Mill Site
- 26. Fort Renville
- 27. Itasca Headwaters Area
- 28. Upper Sioux Agency
- 29. LeDuc House
- 30. Morrison Mounds
- 31. Birch Coulee Battlefield

PROGRAM: HISTORIC SITE OPERATIONS
(Continuation)
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

REVENUE:	(Dollars in Thousands)			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Dedicated	\$ 110	\$ 109	\$ 110	\$ 111

EXPLANATION OF BUDGET REQUEST:

Seven CHANGE request items are requested for this program. \$736,000, including 8.3 positions, in F.Y. 1990 and \$672,000 including 8.3 positions in 1991 are requested to:

1. re-instate the budget reduction of 1986-87;
2. provide central management support to operate the network of 31 historic sites;
3. provide signage and informational brochures;
4. adequately fund the site's current operation; and,
5. establish winter programs at Fort Snelling and the Forest History Center, add 1 tour day each week at the James J. Hill House, and explore ways to provide interpretive programs to handicapped visitors.

\$86,000, including 2.0 positions, in F.Y. 1990 and \$113,000 including 2.0 positions in F.Y. 1991 are requested as these 2 sites move from development to operations.

\$65,000, including 1.8 positions, in F.Y. 1990 and 1991 are requested to leverage the SAME in federal funding in order to provide an adequate funding base to administer the National Historic Preservation Act and Program and the National and State Register of Historic Places.

The Legislative Commission on Minnesota Resources is recommending an appropriation of \$157,000 in F.Y. 1990 and F.Y. 1991.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$170,000 to enable the Society to reopen certain historic sites on Mondays.

While the Governor recognizes the authority of the Minnesota Futures Resource Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the Legislature, the Governor's budget does reflect these recommendations in this program as follows: a biennial increase of \$100,000 for heritage trails; \$40,000 for heirloom seeds interpretation on the Kelley Farm; \$74,000 for a literature search of North Shore shipwrecks, and \$100,000 to implement an archaeological resources plan.

While the remaining requests contained in this program have merit, other spending priorities preclude the Governor from recommending additional fund-

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : HISTORIC SITE OPERATIONS
BUDGET ACTIVITY : HISTORIC SITE OPERATIONS

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	2,986	3,024	3,067	663	3,730	3,152	3,068	670	3,738	3,153	
EXPENSES/CONTRACTUAL SRVCS	598	704	616	281	897	768	616	275	891	758	
MISC OPERATING EXPENSES	311	320	309	2	311	309	309	5	314	309	
SUPPLIES/MATERIALS/PARTS	194	229	211	24	235	216	211	27	238	211	
CAPITAL EQUIPMENT	28	41	41	74	115	41	41	30	71	56	
TOTAL EXPENDITURES	4,117	4,318	4,244	1,044	5,288	4,486	4,245	1,007	5,252	4,487	
CHANGE REQUESTS: FUND											
B HISTORIC SITES				736		85		672		85	
B MEIGHEN STORE & LEDUC HOUSE SITES				86		0		113		0	
B STATE HISTORIC PRESERVATION OFFICE/ARCHAEOLOGY				65		0		65		0	
B HERITAGE TRAILS				50		50		50		50	
B HEIRLOOM SEEDS				20		20		20		20	
B PRESERVATION OF HISTORIC SHIPWRECKS				37		37		37		37	
B IMPLEMENT PLAN FOR ARCHAEOLOGICAL RESOURCES				50		50		50		50	
TOTAL CHANGE REQUESTS				1,044		242		1,007		242	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	2,959	3,046	3,073	887	3,960	3,158	3,073	850	3,923	3,158	
MN RESOURCES	0	83	0	157	157	157	0	157	157	157	
STATUTORY APPROPRIATIONS:											
SPECIAL REVENUE	104	130	110	0	110	110	111	0	111	111	
FEDERAL	220	225	227	0	227	227	227	0	227	227	
GIFTS AND DEPOSITS	834	834	834	0	834	834	834	0	834	834	
TOTAL FINANCING	4,117	4,318	4,244	1,044	5,288	4,486	4,245	1,007	5,252	4,487	

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : HISTORIC SITE OPERATIONS
BUDGET ACTIVITY : HISTORIC SITE OPERATIONS

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

POSITIONS BY FUND:										
GENERAL	49.2	49.3	49.3	12.1	61.4	49.3	49.3	12.1	61.4	49.3
FEDERAL	4.1	4.1	4.1	0.0	4.1	4.1	4.1	0.0	4.1	4.1

TOTAL POSITIONS	53.3	53.4	53.4	12.1	65.5	53.4	53.4	12.1	65.5	53.4

CHANGE REQUEST 1990-91 Biennial Budget

Agency Program Activity

AGENCY: HISTORIC SITE OPERATIONS
 PROGRAM: HISTORIC SITE OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: HISTORIC SITES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 736	8.3	\$ 672	8.3

Governor's Recommendation

General Fund	\$ 85	-0-	\$ 85	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to provide an adequate funding base to manage and operate the state's historic site system. The objective of this program is to acquire, preserve, interpret, and make available the most significant historic sites in Minnesota for the purpose of education and enjoyment.

DESCRIPTION/BACKGROUND:

Since the early 1980s, the historic site's budget has been cut due to state budget reductions. The effect has been to close some sites, reduce the open to the public season and curtail programs offered at the sites that remain open. A portion of this request is intended to restore funds that were eliminated as a result of the 1986 state budget reductions.

A second thrust of this CHANGE request is to respond to the need to provide management and support services to this network of sites. Currently, there are 18 sites open to the public. This program needs additional staff and funding to provide support in several areas:

1. historical research, writing, and editing for interpretive programs, tours, special events, exhibits, and informational brochures;
2. administrative and clerical assistance at the central office as well as at the sites;
3. maintenance and development of comprehensive master interpretive plans;
4. training for historic site guides;
5. signage and promotion of the sites; and

6. communication network to link the sites to the central office at Fort Snelling Visitor Center.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Total site attendance	705,827	719,944	763,140	808,928
James J. Hill House attendance	33,416	34,084	45,332	46,239
Winter programs attendance:				
Fort Snelling	-0-	-0-	4,000	6,000
Forest History	-0-	-0-	2,000	2,500
No. promotional billboards	1	1	7	7

RATIONALE:

The following are statements of reasons why this change request should be funded:

1. With the 1986-87 state budget reduction, the public operating season and programs at historic sites has been reduced. The result is that Minnesotans and visiting tourists arrive at the sites to find them closed. These people are, in effect, being denied one of the state's natural resources that should be available to them. This also has a detrimental impact on the economy of the local communities these sites are situated in or near. The funding request is \$132,500 for each fiscal year.
2. There are currently 2 staff at the central office that are responsible for the management, program coordination and operation of 31 historic sites, only 5 of which are located in the metropolitan area. The remaining 26 sites are distributed throughout the state which is good for the public who have access to history wherever they may live or travel. This distribution also has a positive economic impact on the local communities that provide goods, services, and a labor pool. This geographic distribution, however, is problematic as it relates to central management of the program. The funding request is \$281,692 for F.Y. 1990 and \$245,821 for F.Y. 1991.
3. Signage and printing of informational brochures is necessary in order to promote the network of sites. If Minnesotans and visitors are not aware of the sites and programs they offer, they are unable to take advantage of the educational and entertainment opportunities that are there for them. The society works in cooperation with the State Department of Tourism in order to maximize the potential audience. The funding request is \$80,000 for each fiscal year.
4. Seasonal historian hours and operating expenses are requested for individual sites in order to adequately support the programs that currently are in place. The request represents a variety of needs such as guide training, supervision and security, increased visitation, worn out costumes, educational and interpretive materials, and replacement of equipment. The funding request is \$197,930 for F.Y. 1990 and \$169,330 for F.Y. 1991.
5. In response to public interest, funding is requested for a winter program at Fort Snelling and the Forest History Center, and to add 1 day to the tour schedule of the James J. Hill House. Many requests have come from schools to visit Fort Snelling during the winter months when schools are in session. The winter program at the Forest History Center is logical

CHANGE REQUEST

1990-91 Biennial Budget

____ Agency ____ Program X Activity
 (Continuation)

ACTIVITY: HISTORIC SITE OPERATIONS
PROGRAM: HISTORIC SITE OPERATIONS
AGENCY: MINNESOTA HISTORICAL SOCIETY

since logging camps were operational in the winter months. Requests for visitation at the Hill House have exceeded the number of four days available. Currently, this site is open to the public 3 days a week. This funding would allow the site to be open 4 days each week. This request also includes contractual funding to identify and examine ways in which our interpretive programs can be more responsive to handicapped visitors. The funding request is \$44,090 for each fiscal year.

	<u>(Dollars in Thousands)</u>			
<u>BASE:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 2,098	\$ 2,159	\$ 2,199	\$ 2,199
General Fund Positions	32.8	32.9	32.9	32.9

	<u>(Dollars in Thousands)</u>		
<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 672	\$ 672	\$ 1,344
General Fund Positions	8.3	8.3	8.3

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$170,000 to allow the Society to reopen certain historic sites to the public on Mondays during their normal operating season. The Society closed these sites on Mondays as a result of the 1986-87 budget reductions.

While the remaining requests have merit, other spending priorities preclude the Governor from recommending additional funding.

CHANGE REQUEST 1990-91 Biennial Budget

Agency Program Activity

ACTIVITY: HISTORIC SITE OPERATIONS
 PROGRAM: HISTORIC SITE OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: MEIGHEN STORE AND LEDUC HOUSE HISTORIC SITES

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 86	2.0	\$ 113	2.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to support the progression of 2 historic sites as they move through the development phase into the operations phase so they can be available to the public.

DESCRIPTION/BACKGROUND:

Capital funds have been appropriated by the legislature for 2 historic sites which are currently in the process of structural renovation and reconstruction. Once this is accomplished the structures will be ready for public visitation. In preparation for this visitation the historical interpretive program must be developed. This involves historical research, restoration of artifacts, security, and interpretive program planning. Both of these sites are offered strong support from the local communities. The 2 sites undergoing this development are:

1. Meighen Store:

Located in Forestville State Park in the southeastern corner of the state, the Meighen Store complex is currently being restored. It is anticipated that this restoration will be completed and ready for the public in the spring of 1991. Funds are requested in F.Y. 1990-91 for a site manager, maintenance, security, and the restoration of artifacts. Additional funds are requested in F.Y. 1991 for staff and operation of the site so it may open to the public. The Friends of Forestville is a group of local citizens who support the re-opening of this historic site.

2. LeDuc House:

Located in Hastings, the LeDuc House is being stabilized and restored

with a mix of state and private support. Once this process is completed the structures will be ready for public use. The society's has worked closely with a group of citizens of Hastings to plan for restoration and operation of the LeDuc House, the first historic site acquired by the society. Funds are requested in 1990-91 for a site manager to continue this work. Funds are also requested for maintenance and security of the site. The site is scheduled to open to the public in the 1992-93 biennium, and funding for operation expenses and additional staff will be requested at that time.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Meighen store attendance	-0-	-0-	-0-	5,000
Number of artifacts conserved	-0-	-0-	1,000	750

RATIONALE:

Funds should be granted for this request so that once these sites are restored historical interpretive programs are ready so the sites can be opened for the public.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 123	\$ 152	\$ 275
General Fund Positions	2.0	2.0	2.0

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request at this time. If the restoration of these projects are completed on schedule, the Governor recommends that the Society resubmit this request to the 1990 Legislature for consideration.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HISTORIC SITE OPERATIONS
 PROGRAM: HISTORIC SITE OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: STATE HISTORIC PRESERVATION OFFICE/ARCHAEOLOGY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 65	1.8	\$ 65	1.8

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds to provide an adequate funding base to coordinate and administer a comprehensive preservation planning process in order to ensure compliance to federal law as it relates to the identification and preservation of historic and prehistoric places. It is the objective of the state historic preservation office to administer the National Historic Preservation Act and Program, and maintain the National and State Register of Historic Places.

DESCRIPTION/BACKGROUND:

The state historic preservation office (SHPO) program is not now adequately staffed to meet the objectives of the program. Many of those objectives are mandated by federal regulations.

The programs are developed in cooperation with a statewide constituency including local preservation commissions in 21 communities and is intended to assist these constituencies in preserving the state's history. By its nature it leverages federal funding and shifts much of the burden of historic preservation to the local level.

This request represents funding for 1.75 FTE positions. With federal participation of 50% this results in 3.50 FTE positions with the state's burden being only one half of the full cost.

These positions would accomplish the following:

1. Review historic preservation projects for compliance with state and federal law. The office now receives about 2,500 requests per year. This

- is about twice the national average and is done with one half the national average staff.
2. Develop a coordinated archaeological survey and national register program and provide compliance expertise which will protect non-renewable cultural resources from destruction. The SHPO staff does not currently include an archaeologist even though it is required by federal regulations.
3. To develop in cooperation with all historic preservation groups and others whose activities affect historic resources, a comprehensive preservation planning process.
4. To provide technical assistance to county and local units of the state in preserving the state's history. In teaching others how to preserve their region's history we can shift the responsibility of collecting and preserving the state's history to the local level.

The County-Municipal Highway Reconnaissance Program provides archaeological reviews to specific construction projects implemented by county and municipal agencies. It is an effective way of protecting Minnesota's cultural resources from destruction as a result of these construction projects. This program is funded 85% with federal dollars that come to the society through MN/DOT and 15% from the society's state appropriations. Additional funds are requested to match the increased cost of the program so the society can keep pace with the 15% required to match the increased MN/DOT funding.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Environmental reviews	1,995	2,500	3,000	3,000
Technical workshops	12	12	20	25

RATIONALE:

The following is a statement of reasons why this change request should be funded:

1. The state's participation in funding 1.75 positions will leverage the same in federal support.
2. So that the society is in compliance with federal regulations.
3. By the society providing technical expertise to others we can ultimately reduce the state's overall cost of historic preservation by shifting responsibility to the local level.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 123	\$ 105	\$ 108	\$ 108
General Fund Positions	2.2	2.2	2.2	2.2
Federal Funds	\$ 113	\$ 113	\$ 114	\$ 114
Federal Funds Positions	3.3	3.3	3.3	3.3

CHANGE REQUEST

1990-91 Biennial Budget

Agency
 Program
 Activity
 (Continuation)

ACTIVITY: HISTORIC SITES OPERATIONS
 PROGRAM: HISTORIC SITES OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 65	\$ 65	\$ 130
General Fund Positions	1.8	1.8	1.8
Federal Funds	\$ 53	\$ 53	\$ 106
Federal Funds Positions	1.8	1.8	1.8

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HISTORIC SITE OPERATIONS
 PROGRAM: HISTORIC SITE OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: HERITAGE TRAILS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Legislative Commission on Minnesota Resources (LCMR)	\$ 50	-0-	\$ 50	-0-
Governor's Recommendation				
Legislative Commission on Minnesota Resources (LCMR)	\$ 50	-0-	\$ 50	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To interpret and preserve historic trails for public use and tourism.

DESCRIPTION/BACKGROUND:

This program would establish a series of trails along the historic Minnesota River Valley in western Minnesota and the St. Anthony Falls/Historic Fort Snelling areas. It would provide for the identification and interpretive marking of a series of trails which would run through or on the edge of the following historic areas:

- Lower Sioux Agency
- Redwood Ferry
- Historic Fort Ridgely
- Historic Fort Snelling including Camp Coldwater
- St. Anthony Falls
- Travers des Sioux

The areas listed above vary in acreage size from 40 acres to over 450 acres. Historical areas of this size which contain a wide variety of historical resources need some type of a trail system to guide the visitor through the various resources of the site. Not all areas listed involve the construction of complete trail systems.

These trails, some of which would be accessible to the handicapped, would provide an added recreational experience for visitors and enable them to conduct their own self-guided tours. For those sites in the Minnesota River Valley a river trail would also be identified. This project would be done in cooperation with the State Department of Natural Resources.

RATIONALE:

This program would greatly enhance the visitor's recreational and educational experience at certain historical areas. Through the use of a "self-guided" tour brochure of historic trails, the visitor is provided the opportunity to conduct their own tour at a pace of their choosing.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Legislative Commission on Minnesota Resources (LCMR) Expenditures	\$ -0-	\$ 45	\$ -0-	\$ -0-
Legislative Commission on Minnesota Resources (LCMR) Positions	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity _____

ACTIVITY: HISTORIC SITE OPERATIONS
 PROGRAM: HISTORIC SITE OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: HEIRLOOM SEEDS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Legislative Commission on Minnesota Resources (LCMR)	\$ 20	-0-	\$ 20	-0-
Governor's Recommendation				
Legislative Commission on Minnesota Resources (LCMR)	\$ 20	-0-	\$ 20	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To provide a gardening and "heirloom seeds" interpretation for the Oliver H. Kelley Farm.

DESCRIPTION/BACKGROUND:

This program would provide a gardening and "heirloom seeds" interpretation for the Oliver H. Kelley Farm, one of the nation's finest living history farms. A by-product of this program would be the sale of "heirloom seeds" to provide income to assist in supporting the site's operating expenses.

The objectives of this program would be to develop an "heirloom" or historical seeds program based on the historical information available at the site. The program would seek to preserve historical varieties of crops and vegetables used by Minnesota farmers and gardeners in the 19th and early 20th centuries. It would also educate the public about the value of historical crop varieties in preserving genetic diversity and values of tastes, aesthetics, and local adaptability. The genetic diversity of food crops is becoming an increasingly important issue as many open-pollinated varieties become extinct.

Educational materials such as a catalog of historical Minnesota vegetables and crop varieties would be developed and special programs would be sponsored for all age groups. Frozen storage areas to preserve seeds, and a greenhouse and irrigated growing range, would be developed to maintain the "heirloom" plants. Monticello, the National Landmark Home of Thomas Jefferson, has a similar program that cost \$200,000 initially to start, but now yields over \$60,000 a year in seed sales. Educational materials, such as a gardening catalog, would be developed and published with LCMR support that would be

very popular and informative for all age groups. This site is the original home of the Grange Movement, and is located on the 220-acre farm owned by Kelley from the mid-1800's.

RATIONALE:

According to the National Academy of Science, the genetic diversity of major crops is seriously endangered. Genetic diversity is important to maintain because modern plant breeding depends on old open-pollinated varieties. Historical plants are also important to preserve because they contain the historical story of Minnesota agriculture just as agricultural implements do (such as a McCormic reaper).

This significant historic site located on the Mississippi River near Elk River would benefit greatly by being able to offer the visitor a unique educational experience, and may improve income at the site by developing marketable "heirloom seeds" and gardening catalogs. This program would educate the public about the problem and contribute to the preservation of historical Minnesota seeds.

National Grange may provide some matching funds. We also feel that the Pioneer Seed Co. or Wallace Genetics Foundation might provide some assistance.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HISTORIC SITE OPERATIONS
 PROGRAM: HISTORIC SITE OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: PRESERVATION OF HISTORIC SHIPWRECKS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Legislative Commission on Minnesota Resources (LCMR)	\$ 37	-0-	\$ 37	-0-
Governor's Recommendation				
Legislative Commission on Minnesota Resources (LCMR)	\$ 37	-0-	\$ 37	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To comply with federal law, a process must be developed to complete an extensive literature search of North Shore shipwrecks and gather available field data.

DESCRIPTION/BACKGROUND:

Congress recently passed the Abandoned Shipwrecks Act which transfers major responsibilities for the preservation of historic shipwrecks from federal to state jurisdiction. This program will develop relevant, important information necessary to assist the state in its new responsibility.

Minnesota's North Shore of Lake Superior contains over 50 shipwrecks, many of which may be historically significant. To implement the recently passed Abandoned Shipwrecks Act, it is necessary to adequately document and evaluate the submerged wrecks as part of a coordinated preservation program which must be developed.

The proposed project will complete an extensive literature search of North Shore wrecks, including the gathering of available field data from the diving community. The data will be evaluated within the context of Great Lakes shipping history, and a program for further exploration and National Register nomination of the most significant wrecks will be formulated. The study is crucial if the state is to be prepared to carry out its role in a nationwide program to preserve these resources.

RATIONALE:

T... ters of Lake Superior are state waters, and are not under federal ju-

isdiction. Also, with the enactment of the Abandoned Shipwrecks Act, the Federal Admiralty Law no longer applies to such shipwrecks. The State of Michigan has just enacted state laws to control salvage operations of shipwrecks in its waters.

The program will directly benefit the state in several ways. The data developed will enable the state to create what is necessary to play its proper role in preserving these important resources. The information will be used to nominate qualified sites and structures to the National Register of Historic Places. New knowledge will add another dimension to the recreational and tourist resources and attractions of Minnesota. Most important, a way will be found to preserve an important aspect of Minnesota's past.

Some federal funds may be available for portions of this project.

BASE: None.

<u>LONG RANGE IMPLICATIONS:</u>	(Dollars in Thousands)		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
Legislative Commission on Minnesota Resources (LCMR) Expenditures	\$ 37	\$ 37	\$ 74
Legislative Commission on Minnesota Resources (LCMR) Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST 1990-91 Biennial Budget

Agency Program Activity

AGENCY: HISTORIC SITE OPERATIONS
 PROGRAM: HISTORIC SITE OPERATIONS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: IMPLEMENT PLAN FOR ARCHAEOLOGICAL RESOURCES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Legislative Commission on Minnesota Resources (LCMR)	\$ 50	-0-	\$ 50	-0-

Governor's Recommendation

Legislative Commission on Minnesota Resources (LCMR)	\$ 50	-0-	\$ 50	-0-
--	-------	-----	-------	-----

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To fill gaps in our information about the archaeological record and increase the public understanding of Minnesota's archaeological heritage.

DESCRIPTION/BACKGROUND:

The Minnesota Historical Society and the state archaeologist will develop with assistance from the Institute for Minnesota Archaeology, information relating to gaps in our state's archaeological record. The society will develop public educational programs relative to archaeology, workshops, and resource materials which will help educate individuals and organizations about our state archaeological resources.

RATIONALE:

The Legislative Commission on Minnesota Resources (LCMR) and the legislative support of this vital need is consistent with their assistance to our state archaeological resources in past appropriations to the society to conduct surveys across our state to locate archaeological sites. The State Historic Preservation Office of the Minnesota Historical Society, a departmental unit within the society, will manage this project into their planning process and secure some federal funds to assist in supporting this program.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

PROGRAM: STATE HISTORY CENTER
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PROGRAM PURPOSE:

The purpose of this program is to prepare the society for the move into the State History Center which is scheduled for occupancy in the fall of 1991. This preparation involves program development and planning; the preparation, consolidation and move of nearly 2,000,000 rare items as well as planning for moving 200 staff members and their furnishings; implementation of the concept of central reference services; the development of historical exhibits for 50% of the galleries; and the processing and conservation of the rare artifacts and other items for use in the exhibitions, and in the reference library. All of this work must be accomplished to coincide with the completion of construction so that interruption of public services is minimized as much as possible.

PROGRAM DESCRIPTION:

The society presently functions out of five facilities (not including historic sites). The History Center will enable the society to consolidate all of its programs and staff except those such as historic sites, which, by their very nature must be elsewhere. This consolidation will strengthen the inter-relationships among the society's various programs and enable the public to use them more effectively. With the anticipated increase in attendance, the History Center will provide improved public service through stimulating and dramatic exhibitions displaying items from the rich collections and will accommodate diverse and special audiences, space for expanded educational programming, and a central reference area which will offer increased accessibility to the society's historical collections. With its sensitive environmental and security systems and well-equipped conservation laboratories the History Center will provide an appropriate environment in which to preserve the state's extraordinary historical collections.

This program provides services in 2 program areas:

1. State History Center Operations, which includes overall coordination and planning of operations, public educational programs, the exhibits program, central reference, and the preparation and move of the historical collections; and
2. the production of historical exhibits.

BUDGET ISSUES:

1. The delivery of expanded public programs, and improved services that this space allows us to provide.
2. To initiate the coordination of a volunteer program in order to maximize our human resource potential.
3. To provide financial support services in order to facilitate program development and planning.
4. To prepare the collections for the move as well as for inclusion in exhibits.

5. To produce historical exhibits in 20,000 square feet of gallery space.
6. To raise funding needed to construct the exhibits and install them in the space provided on the exhibit floor of the center.

EXPLANATION OF BUDGET REQUEST:

Three CHANGE request items are requested for this program. \$293,000, including 5.0 positions, in F.Y. 1990 and \$337,000, including 8.0 positions in F.Y. 1991 are requested to:

1. provide budget development and financial analysis for program and operations planning and development;
2. establish a volunteer, intern program;
3. develop public educational programs and a public use plan; and
4. prepare the collections for the move and increased use in the State History Center.

\$325,000, including 2.0 positions, in F.Y. 1990 and \$440,000, including 3.0 positions, in F.Y. 1991 are requested to conduct research, design, and to provide technical expertise for the construction and installation of exhibits in the State History Center.

The Legislative Commission on Minnesota Resources is recommending an appropriation of \$100,000 in F.Y. 1990 and F.Y. 1991.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$437,000 and 8.0 positions to continue to process the collections in preparation for the move and for program planning and development; and \$325,000 and 2.0 positions for planning exhibits for the new history center.

While the Governor recognizes the authority of the Minnesota Futures Resource Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the Legislature, the Governor's budget does reflect these recommendations in this program as follows: a biennial increase of \$200,000 to plan exhibits for the State History Center.

1990-91. B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : STATE HISTORY CENTER

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
STATE HISTORY CENTER OPERATIONS	64	157	162	293	455	262	162	337	499	499
B SHC OPERATIONS				293		100		337		337
STATE HISTORY CENTER EXHIBITS	40	114	117	425	542	217	117	540	657	542
B SHC EXHIBITS				325		0		440		325
B STATE HISTORY CENTER EXHIBIT PLANNING				100		100		100		100
TOTAL EXPENDITURES	104	271	279	718	997	479	279	877	1,156	1,041
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	104	271	279	618	897	379	279	777	1,056	941
MN RESOURCES	0	0	0	100	100	100	0	100	100	100
TOTAL FINANCING	104	271	279	718	997	479	279	877	1,156	1,041
POSITIONS BY FUND:										
GENERAL	3.0	8.0	8.0	7.0	15.0	13.0	8.0	11.0	19.0	18.0
TOTAL POSITIONS	3.0	8.0	8.0	7.0	15.0	13.0	8.0	11.0	19.0	18.0

ACTIVITY: STATE HISTORY CENTER OPERATIONS 1990-91 Biennial Budget
Program: STATE HISTORY CENTER
Agency: MINNESOTA HISTORICAL SOCIETY

PURPOSE:

1. To prepare for the move to the History Center by the fall of 1991. This involves the overall coordination of management and operations, program development and planning, and the preparation and move of nearly 2,000,000 historically rare items as well as 200 staff.
2. To develop a common data base that will offer users on-line access to collections in a central library.
3. To develop educational public programs and a public use plan for this multi-functional building that will enable people to see, use, and participate in their state's heritage.

ACTIVITY DESCRIPTION:

The programs and services of the society benefit more than 1,400,000 people each year, and will increase dramatically when the society moves its programs to this new Center. Included in this attendance are school children and teachers, senior citizens, scholars, genealogists, local historians and county and local historical organizations, families, tourists, state, county, and local units of government, lawyers, business people, and journalists. The society serves Minnesotans as well as a national and international clientele. The History Center will provide more space and improved facilities for the society's diverse programs, enabling the society to improve its services to these constituencies. This activity operates in 3 functional areas:

1. Operations:

To plan and implement the smooth transition of society staff, collections, and programs, from 5 metro area locations into the new History Center. The society must now accelerate the planning and preparation necessary to implement programs upon completion of construction of the Center. Exhibits, films, public programs, publications, special events, building use, and promotion must be coordinated to ensure a comprehensive program upon opening to the public. This involves providing support in planning, administrative assistance, cost analysis and budgeting, and overall management of this transition.

2. Central Reference:

Access to library and other collections will be enhanced through a central library facility using state-of-the-art automated finding aids. It is the society's goal to draw together the state's extraordinary collections of books, manuscripts, maps, government records, artifacts, artwork, newspapers, and photographs through the use of a single, integrated and more efficient reference facility. The public's need for easy access to information about the society's extensive and diverse holdings will be met by using a common cataloging system designed so that users may gain access, and subsequent use, to all of the collections. This will be possible through the use of "user friendly" terminals located in this central reference space.

In order to provide this service, the collections must be maintained. Modern laboratories are designed to facilitate the conservation of collections so they may be preserved in climate controlled storage areas. These storage areas are located in proximity to the reference room so when not in use by the public their preservation is ensured.

3. Education and Public Programs:

To provide expanded educational programming for people of all ages, 1 floor of an entire wing of the History Center will be devoted to classrooms, lecture and discussion spaces, and laboratories and studios for various educational activities. A 300 seat auditorium with multimedia equipment and space to accommodate live presentations will also provide a stimulating environment in which to promote public understanding and appreciation of Minnesota history.

The History Center will include a number of spaces for public meetings and programs. These include an auditorium, the great hall, classrooms, courtyard, and restaurant. The society will be asked to respond to public inquiries regarding their use of these spaces. We need to develop a public use plan to ensure that full participation is enjoyed by all in this multi-function building.

REVENUE: None.

EXPLANATION OF BUDGET REQUEST:

\$293,000, including 5.0 positions, in F.Y. 1990 and \$337,000, including 8.0 positions in F.Y. 1991 are requested to:

1. provide budget development and financial and statistical analysis for program planning and development;
2. establish a volunteer, intern program;
3. develop public educational programs and a public use plan; and
4. prepare the collections for the move and increased use in the State History Center.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : STATE HISTORY CENTER
BUDGET ACTIVITY : STATE HISTORY CENTER OPERATIONS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	23	157	162	161	323	242	162	243	405	405	
EXPENSES/CONTRACTUAL SRVCS	41	0	0	114	114	9	0	69	69	69	
SUPPLIES/MATERIALS/PARTS	0	0	0	14	14	7	0	19	19	19	
CAPITAL EQUIPMENT	0	0	0	4	4	4	0	6	6	6	
TOTAL EXPENDITURES	64	157	162	293	455	262	162	337	499	499	
CHANGE REQUESTS:											
	FUND										
B SHC OPERATIONS	GEN			293		100		337		337	
TOTAL CHANGE REQUESTS				293		100		337		337	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	64	157	162	293	455	262	162	337	499	499	
TOTAL FINANCING	64	157	162	293	455	262	162	337	499	499	
POSITIONS BY FUND:											
GENERAL	2.0	5.0	5.0	5.0	10.0	10.0	5.0	8.0	13.0	13.0	
TOTAL POSITIONS	2.0	5.0	5.0	5.0	10.0	10.0	5.0	8.0	13.0	13.0	

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE HISTORY CENTER OPERATIONS
 PROGRAM: STATE HISTORY CENTER
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: OPERATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 293	5.0	\$ 337	8.0

Governor's Recommendation

General Fund	\$ 100	5.0	\$ 337	8.0
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency request these funds to prepare the society for the move into the State History Center which is scheduled for occupancy in the fall of 1991. Among the objectives are to continue program planning and development; prepare, package, and move nearly 2 million rare items to newly assigned storage locations, plan and sequence the move of 200 staff members; implement the central reference concept; raise funds for construction and installation of historical exhibits; and process and conserve historical collections for the public's use and enjoyment in the reference library and exhibit galleries.

DESCRIPTION/BACKGROUND:

In 1987 the governor supported and the legislature appropriated funds to the Minnesota Historical Society to construct the State History Center. Over the past 2 biennia the legislature has also appropriated funding for 5.0 positions which are allocated for the purpose of preparing the society for this transition and move.

This CHANGE request is in response to the additional resources required to continue the preparation. This includes the planning, and analysis for the move of staff and operations. The society's management must address issues such as potential funding sources, communication systems, human resource planning in order to maximize potential through the use of volunteers, and a building public use plan. Public educational programs must be developed. These programs include museum lessons, craft demonstrations, workshops, performances, films, and lectures. We must also continue towards the goal of central reference. The concept of central reference is, through the use of a common cataloging system for all of the collections, patrons can access by using a user friendly terminal located in the reference room. Finally, collections must be readied for their increased use in the reference room as well as in exhibits.

The following is a listing of positions requested:

	F.Y. 1990	F.Y. 1991
Textile conservator	\$ 30,575	\$ 30,592
Acquisitions assistant	30,575	30,592
Loan/research assistant	30,575	30,592
Clerk typist	0	24,538
Volunteer coordinator	0	27,263
Coordinator of public programs	36,790	36,812
Senior accountant/cost analyst	32,531	32,549
Public program assistant	0	30,592
Total	\$ 161,046	\$ 243,530

RATIONALE:

The following are statements of reasons why this CHANGE request should be funded:

1. A cost analyst is necessary so that the society's management has the information required for planning purposes in order to allocate financial resources rationally. This analyst would work with program staff to identify, estimate, and determine the expenditure required to carry out a particular program or project. This information would also be available for use in developing non-state funding sources. The funding request is \$33,531 for F.Y. 1990 and \$33,549 for F.Y. 1991.

2. A volunteer and intern program is necessary to maximize the society's use of available human resources, and statewide public involvement in society programs. The State History Center will provide adequate space for active programs with widespread public involvement. The volunteer and intern program will meet 2 primary objectives:

1. expand the society workforce through the use of volunteers in such areas as museum shop sales and a docent program; and
2. give students training and exposure to library, archival, museum and other careers and provide modest stipends. The society would give special emphasis to attracting minority students.

The funding request is \$15,000 for F.Y. 1990 and \$47,263 for F.Y. 1991.

3. A public programs office objective is twofold:

1. to develop a changing array of educational programs to serve school children as well as an adult audience; and
2. it is likely that, along with society users, the large public spaces will be in demand by historical organizations and various community groups. These spaces include a 300 seat auditorium, the great hall, classrooms, courtyard, and restaurant. In order to provide fair access to and appropriate use of these spaces, the society must develop and publish a public use plan for this multi-functional building.

The funding request is \$37,790 for F.Y. 1990 and \$69,404 for F.Y. 1991.

4. Attention must be given to the processing of collections in preparation for the move and subsequent increased use of the collections. Positions, contractual funds, and supplies are requested to assist with the acces-

CHANGE REQUEST

1990-91 Biennial Budget

Agency _____ Program _____ X Activity
 (Continuation)

ACTIVITY: STATE HISTORY CENTER OPERATIONS
 PROGRAM: STATE HISTORY CENTER
 AGENCY: MINNESOTA HISTORICAL SOCIETY

sioning and deaccessioning of library materials, to research, catalog, conserve, and preserve the collections and provide clerical support for this labor intensive operation. The funding request is \$206,225 for F.Y. 1990 and \$186,814 for F.Y. 1991.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 64	\$ 157	\$ 162	\$ 162
General Fund Positions	2.0	5.0	5.0	5.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 337	\$ 337	\$ 674
General Fund Positions	8.0	8.0	8.0

GOVERNOR'S RECOMMENDATION:

The Governor recommends the funding as requested except for a reduction of \$193,000 in F.Y. 1990. The Governor recommends that the Society phase in these costs during the first year of the biennium.

ACTIVITY: STATE HISTORY CENTER EXHIBITS
Program: STATE HISTORY CENTER OPERATIONS
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PURPOSE:

To plan, prepare, and install historical exhibitions in 40,000 square feet of gallery space.

ACTIVITY DESCRIPTION:

Minnesota's history is as varied as the state's geography which extends from the cornbelt to the North Woods and from Lake Superior to the western plains. An entire floor of the State History Center has been allocated as exhibition gallery space. This represents a 600% increase over current space. This will allow the society to present an exciting new range of topics and techniques. Permanent survey exhibits will introduce visitors to the vital history of their own century as well as the stories of older generations. Smaller exhibits will showcase very special items from the collections and demonstrate the breadth of the society's various holdings. In addition, a special gallery will be dedicated to introducing children to the study of history using interactive and hands-on approaches. With its dramatic presentations and wide array of interpretive techniques, the History Center will attract, annually, nearly 9 times the number of visitors it does today. The museum floor will provide more galleries and more objects on display, making the Minnesota story accessible for the enjoyment and education of our state's diverse population.

OPERATIONS:

A plan has been developed to guide the society through the many phases of exhibit production. Specific exhibit topics have been chosen, and work is now under way in the research and design phase of each project. The work is being accomplished by the exhibition staff through the team approach to exhibit production. This approach allows us to reach into other program areas of the society where expertise in particular topics or collections has been developed over the years.

The objectives of this program are in response to the comprehensive plan that has been developed:

1. Continue work on the 4 exhibits designed to display the vast holdings of the society's collections.
2. Begin work on phase 1 of the Minnesota Survey Gallery.
3. Begin work on the Children's exhibit.
4. Begin work on a film that will present an introduction to the themes and events of Minnesota history.
5. Fill 50% of the 40,000 square feet of gallery space by the fall opening of 1991.

REVENUE: None

BUDGET ISSUES:

Secure staff and funding for the planning, development, and design of the exhibits.

EXPLANATION OF BUDGET REQUEST:

Two CHANGE request items are requested for this activity.

\$325,000, including 2.0 positions, in F.Y. 1990 and \$440,000, including 3.0 positions, in F.Y. 1991 are requested to conduct research, design, and provide technical expertise for the construction and installation of exhibits in the State History Center.

The Legislative Commission on Minnesota Resources is recommending an appropriation of \$100,000 in F.Y. 1990 and F.Y. 1991.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : STATE HISTORY CENTER
BUDGET ACTIVITY : STATE HISTORY CENTER EXHIBITS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991				
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
DETAIL BY CATEGORY:											
STATE OPERATIONS:											
PERSONAL SERVICES	35	95	98	67	165	98	98	92	190	165	
EXPENSES/CONTRACTUAL SRVCS	5	19	19	332	351	119	19	407	426	351	
SUPPLIES/MATERIALS/PARTS	0	0	0	13	13	0	0	29	29	13	
CAPITAL EQUIPMENT	0	0	0	13	13	0	0	12	12	13	
TOTAL EXPENDITURES	40	114	117	425	542	217	117	540	657	542	
CHANGE REQUESTS:											
										FUND	
B SHC EXHIBITS				325		0		440		325	
B STATE HISTORY CENTER EXHIBIT PLANNING				100		100		100		100	
TOTAL CHANGE REQUESTS				425		100		540		425	
SOURCES OF FINANCING:											
DIRECT APPROPRIATIONS:											
GENERAL	40	114	117	325	442	117	117	440	557	442	
MN RESOURCES	0	0	0	100	100	100	0	100	100	100	
TOTAL FINANCING	40	114	117	425	542	217	117	540	657	542	
POSITIONS BY FUND:											
GENERAL	1.0	3.0	3.0	2.0	5.0	3.0	3.0	3.0	6.0	5.0	
TOTAL POSITIONS	1.0	3.0	3.0	2.0	5.0	3.0	3.0	3.0	6.0	5.0	

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: STATE HISTORY CENTER EXHIBITS
 PROGRAM: STATE HISTORY CENTER
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: EXHIBITS

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 325	2.0	\$ 440	3.0
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ 325	2.0

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests these funds in order to conduct research, design, to provide technical expertise, and to oversee the construction and installation of exhibits in the State History Center. The objective of this program is to produce historical exhibits to fill 20,000 square feet of gallery space upon opening of the Center.

DESCRIPTION/BACKGROUND:

In 1987 the governor supported and the legislature appropriated to the Minnesota Historical Society funds to construct the State History Center. Over the past 2 biennia the legislature has also appropriated funding for 3.0 positions which were allocated to assist with the challenge of producing historical exhibits to occupy space that has increased in total over 600%. A massive planning effort was undertaken which is now being implemented.

The implementation now requires additional resources in terms of positions, contract funds, and operating expenses such as supplies, materials and equipment. These funds are requested for all phases of a project from historical research and writing, lighting and audio visual needs through the oversight of construction and installation. As we move closer towards the opening date some of the projects move from the planning and development phase into the production phase. This CHANGE request reflects that progression.

The following is a listing of positions requested:

	F.Y. 1990	F.Y. 1991
Historian	\$ 30,575	\$ 30,592
Senior clerk steno	-0-	25,724
Design & production manager	36,022	36,043
	66,597	92,359

RATIONALE:

This CHANGE request should be funded so that historical exhibits will be in place for the opening of the State History Center in the fall of 1991. The citizens of our state expect to see on display the vast collection the society holds which represent their heritage.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 40	\$ 114	\$ 117	\$ 117
General Fund Positions	1.0	3.0	3.0	3.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 520	\$ 520	\$ 1,040
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends an increase of \$325,000 and 2.0 positions in F.Y. 1991 to assure the exhibits will be in place for the opening of the new History Center in the fall of 1991.

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

ACTIVITY: STATE HISTORY CENTER EXHIBITS
 PROGRAM: STATE HISTORY CENTER
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: STATE HISTORY CENTER EXHIBIT PLANNING

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Legislative Commission on Minnesota Resources (LCMR)	\$ 100	-0-	\$ 100	-0-
Governor's Recommendation				
Legislative Commission on Minnesota Resources (LCMR)	\$ 100	-0-	\$ 100	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To plan exhibits for the new State History Center.

DESCRIPTION/BACKGROUND:

This request relates to the interpretive and educational activities of the new State History Center which includes an introductory film, an exhibit on 20th century Minnesota, children's exhibit and exhibits on Minnesota collections. The Center will be one of the premier recreational and educational facilities of its kind nationally.

It is proposed that the core exhibit begin with the 20th century, the historical experience most familiar to visitors. As the History Center opens on the eve of the 21st century, it is appropriate that we try to understand the century closing.

The State History Center also will offer an active, continual program of temporary exhibitions showcasing the breadth and depth of various MHS collections.

RATIONALE:

Rather than follow the traditional example of many state museums--a predictable, and often exhausting chronological survey of the past which begins in the mists of geological time and then evaporates somewhere around the end of the 19th century--the core exhibit at the state history center will build upon the personal knowledge, experience, and memory of its visitors by beginning with the 20th century.

Children and the adults who accompany them constitute a major audience for programs at the history center. A slate of exhibits, designed to appeal directly to children will be made a permanent, part of the exhibit program at the Center. Since a program of exhibits specifically for children constitutes a new challenge for MHS (and, indeed, for history museums in general), one to which programs of child-oriented science museums are not directly applicable, there is need to experiment with techniques to learn how best to approach this audience.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

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 ongoing restoration and preservation of murals, stencils, sculptures, statues, paintings, built-in exhibit areas, and artworks in the public areas of the state capitol.
4. To provide state markers and monuments on the interstate, highway waysides, and rest areas.

PROGRAM DESCRIPTION/OPERATIONS:

The objective of this program is to provide the overall coordination and specialized assistance to meet with 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, 3-dimensional artifacts, and works of art. Recommendations for repair and replacement needs, conservation techniques, and implementation plans are provided to determine a repair and replacement program for the biennium. This program operates in 4 functional areas:

1. Facility Repair and Replacement:

Since 1958, the Minnesota Historical Society has acquired, or been given by law, responsibility for 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 HVAC systems.

An additional responsibility of the society is 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. 1988	F.Y. 1989	F.Y. 1990	1991
No. structures managed	96	96	96	96
Total gross square feet managed	427,777	427,777	427,777	427,777
Repair and Replacement projects completed:				
Planned *	13	13	13	13
Emergencies	82	82	82	82

* Planned projects were completed with private funds. The cost of each project differs.

2. Interpretive Exhibits and Artifacts:

The Minnesota Historical Society operates major interpretive facilities and museums 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 museums 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 contemporary museum techniques are needed. These interpretive installations require reconstruction such as repair or replacement of silk-screening, 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 at the James J. Hill House, and the Fort Snelling Visitor Center.

As a result of the diverse and unique nature of historic sites, the collections utilized in exhibits cover a broad base of subjects. These historically valuable artifacts are an integral part of the exhibits at the interpretive centers, museums, 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.

The society also offers a program of traveling exhibits that may be borrowed. These exhibits enjoy wide circulation throughout the state by schools, libraries, as well as county and local historical societies. The traveling exhibits offer an array of historical photographs, art reproductions, graphics, and informative captions on a wide variety of topics. Some are framed and others are mounted on stiff backing for easy display. The traveling nature of these exhibits require constant repair and replacement of the contents as well as frequent maintenance of the crates that house them while in transit.

PROGRAM: REPAIR AND REPLACEMENT
(Continuation)

1990-91 Biennial Budget

Agency: MINNESOTA HISTORICAL SOCIETY

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. formal museum exhibition galleries	9	5	3	3
No. exhibits in interpretive centers	12	12	12	12
No. historic houses	10	10	10	10
No. artifacts in use at exhibits	21,000	19,000	18,500	18,000
No. Traveling Exhibits in use	24	26	26	28
Traveling Exhibits audience	298,336	300,000	300,000	500,000

3. State Capitol:

Pursuant to 1987 Minnesota Session Laws, the society is responsible for "'Works of art' in all spaces of the capitol, means paintings, portraits, mural decorations, stained glass, statues and busts, bas-relief, ornaments, furniture, plaques, and any other article or structure of a permanent character intended for decoration or commemoration placed in the capitol in 1905 or placed subsequently for historic purposes or decoration."

The state capitol serves as a monument to Minnesota's heritage. There is an ongoing need to provide technical assistance, develop plans, and acquire materials and services for preserving the public areas. The Governor's Reception Room is being restored 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. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of Governor's portraits	35	35	35	35
No. statues interior and exterior	17	17	17	17
No. of paintings	11	11	11	11
No. of murals	36	36	36	36
No. of plaques	12	13	13	13
No. of busts	16	16	16	16
No. of furnishings	675	678	678	678
No. of statues on mall	11	11	11	11

4. Markers and Monuments: 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 include preservation coating of bronze markers, foundation repair, and casting of new markers.

Also in need of ongoing 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.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. state markers	406	412	418	425
No. geographical markers	0	10	20	20
No. state monuments	30	30	30	30
No. state markers at interstate rest areas	6	10	14	16
No. counties with markers	73	73	73	75
No. counties with wayside markers and monuments	46	46	46	46

BUDGET ISSUES:

1. Continue to work towards a level of funding that will allow the society to maintain its unique and historically valuable physical plant.
2. Recognition that exhibits are "non-permanent" and need continuing financial resources to interpret the Minnesota story.

EXPLANATION OF BUDGET REQUEST:

\$184,800 is requested in F.Y. 1990 and \$106,300 is requested in F.Y. 1991 to continue to work towards a level of funding so the society may maintain its physical plant. \$33,600 is requested in F.Y. 1990 and \$21,600 is requested in F.Y. 1991 for repair and replacement of exhibits and the 2 and 3 dimensional artifacts that are used as interpretive tools in the exhibitions.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$200,000 for the repair and replacement program.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : REPAIR AND REPLACEMENT
BUDGET ACTIVITY : REPAIR AND REPLACEMENT

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	70	73	76	0	76	76	76	0	76	76
EXPENSES/CONTRACTUAL SRVCS	111	274	201	189	390	301	201	111	312	301
MISC OPERATING EXPENSES	4	6	4	0	4	4	4	0	4	4
SUPPLIES/MATERIALS/PARTS	7	13	10	0	10	10	10	0	10	10
CAPITAL EQUIPMENT	0	7	5	0	5	5	5	0	5	5
REAL PROPERTY	32	132	97	24	121	97	97	12	109	97
TOTAL EXPENDITURES	224	505	393	213	606	493	393	123	516	493
CHANGE REQUESTS: FUND										
B REPAIR & REPLACEMENT				213		100		123		100
TOTAL CHANGE REQUESTS				213		100		123		100
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	185	466	354	213	567	454	354	123	477	454
STATUTORY APPROPRIATIONS:										
FEDERAL	13	13	13	0	13	13	13	0	13	13
GIFTS AND DEPOSITS	26	26	26	0	26	26	26	0	26	26
TOTAL FINANCING	224	505	393	213	606	493	393	123	516	493
POSITIONS BY FUND:										
GENERAL	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0
TOTAL POSITIONS	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REPAIR AND REPLACEMENT
 PROGRAM: REPAIR AND REPLACEMENT
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: REPAIR AND REPLACEMENT

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 213	-0-	\$ 123	-0-
Governor's Recommendation				
General Fund	\$ 100	-0-	\$ 100	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to provide repair and replacement of historically significant structures, modern 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, and 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, restoration of the Powder magazine, and historic flagpole at Fort Snelling, humidity control at the Lindbergh Interpretive Center, carpet replacement at the Alexander Ramsey House, and roof repairs at the Forest History Center.

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 provide dollars for projects as well as ongoing maintenance and emergency needs. The funding request is \$189,000 in F.Y. 1990 and \$111,000 in F.Y. 1991.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Repair and replacement projects completed	13	13	48	41

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 produce an exhibit to celebrate the centennial of the James J. Hill House, to design, construct, and interpret a wigan and a model sawmill at the Forest History Center, an exhibit at the Oliver Kelley Farm devoted to Women in Agriculture, to replace the long barracks exhibit at historic Fort Snelling, and partial replacement of the exhibit installation at the Grand Mound Interpretive Center.

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.

The funding request is \$24,000 in F.Y. 1990 and \$12,000 in F.Y. 1991.

*STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Exhibition installations housed in interpretive centers-repair and replacement	12	12	12	12
Changing exhibits produced	9	5	3	3
Interpretive exhibits produced	-0-	-0-	3	2

RATIONALE:

The funding request in this CHANGE level is in response to the need to maintain structures, property, exhibitions, and objects of art and historical artifacts in public areas of the state capitol. This CHANGE request is part of the governor's initiative to improve our ability to maintain our physical plant. The consequences of not funding this request is the loss of these historically valuable natural resources to future generations.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget
 (continuation)

ACTIVITY: REPAIR AND REPLACEMENT
 PROGRAM: REPAIR AND REPLACEMENT
 AGENCY: MINNESOTA HISTORICAL SOCIETY

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 165	\$ 386	\$ 304	\$ 304
General Fund Positions	3.0	3.0	3.0	3.0

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 123	\$ 123	\$ 246
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor supports the Society's request, but recommends a biennial increase of \$200,000 for repair and replacement needs rather than the full amount requested.

PROGRAM: HISTORIC GRANT-IN-AID
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PROGRAM PURPOSE:

The Minnesota Historical Society administers a state-funded grant-in-aid program supporting projects in the preservation and interpretation of Minnesota history. This program includes two activities:

1. Historic Grant-in-Aid
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 established guidelines. The grants management office staff is available to assist applicants to plan eligible projects and make grant 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 collections preservation and interpretation, publications, and preservation of historic and archaeological resources.

EXPLANATION OF BUDGET REQUEST:

Two CHANGE request items are requested for this program. \$336,000 is requested in F.Y. 1990 and F.Y. 1991 to grant to eligible organizations to preserve and interpret the state's history.

\$189,000 is requested in F.Y. 1990 and F.Y. 1991 to adequately fund the program for field archeology in Minnesota.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the BASE level of funding for this program. While the CHANGE requests have merit, other spending priorities preclude the Governor from recommending additional funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : HISTORIC GRANT-IN-AID

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
HISTORIC GRANT-IN-AID	375	447	369	336	705	369	369	336	705	369
B GRANT-IN-AID	GEN			336		0		336		0
ARCHAEOLOGY	27	27	27	189	216	27	27	189	216	27
B STATE ARCHAEOLOGIST	GEN			189		0		189		0
TOTAL EXPENDITURES	402	474	396	525	921	396	396	525	921	396
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	288	310	292	525	817	292	292	525	817	292
MN RESOURCES	10	60	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
FEDERAL	104	104	104	0	104	104	104	0	104	104
TOTAL FINANCING	402	474	396	525	921	396	396	525	921	396
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0

ACTIVITY: HISTORIC GRANT-IN-AID
Program: HISTORIC GRANT-IN-AID
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

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

OPERATION:

The Historic Grant-In-Aid activity is to enable county, local, and regional nonprofit organizations to preserve and interpret the state's history. 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 that 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 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:

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 meets the guidelines set forth in the Minnesota Historical Society Grant-In-Aid Manual.

Grant recipients are required to submit completion reports that document fiscal responsibility as well as evidence of work accomplished.

<u>EFFECTIVENESS MEASURES:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
% of grants applications funded	55	42	42	42

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. grant applications	98	120	160	160
No. grants awarded	54	50	50	50
State grant requests	\$ 419,088	\$454,000	\$1,200,000	\$1,200,000
Grant dollars awarded	\$ 189,299	\$204,755	\$ 204,755	\$ 204,755
Applicant match	\$ 352,477	\$375,000	\$ 375,000	\$ 375,000
Total project value	\$ 541,776	\$572,255	\$ 572,255	\$ 572,255

EXPLANATION OF BUDGET REQUEST:

\$336,000 is requested in F.Y. 1990 and F.Y. 1991 to grant to eligible organizations to preserve and interpret the state's history.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : HISTORIC GRANT-IN-AID
BUDGET ACTIVITY : HISTORIC GRANT-IN-AID

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	95	99	101	0	101	101	101	0	101	101
EXPENSES/CONTRACTUAL SRVCS	1	1	1	0	1	1	1	0	1	1
STATE OPERATIONS	96	100	102	0	102	102	102	0	102	102
AIDS TO INDIVIDUALS	75	75	75	0	75	75	75	0	75	75
LOCAL ASSISTANCE	204	272	192	336	528	192	192	336	528	192
TOTAL EXPENDITURES	375	447	369	336	705	369	369	336	705	369
CHANGE REQUESTS:	FUND									
B GRANT-IN-AID	GEN									
TOTAL CHANGE REQUESTS				336		0		336		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	261	283	265	336	601	265	265	336	601	265
MN RESOURCES	10	60	0	0	0	0	0	0	0	0
STATUTORY APPROPRIATIONS:										
FEDERAL	104	104	104	0	104	104	104	0	104	104
TOTAL FINANCING	375	447	369	336	705	369	369	336	705	369
POSITIONS BY FUND:										
GENERAL	2.0	2.0	2.0	0.0	2.0	2.0	2.0	0.0	2.0	2.0
FEDERAL	1.0	1.0	1.0	0.0	1.0	1.0	1.0	0.0	1.0	1.0
TOTAL POSITIONS	3.0	3.0	3.0	0.0	3.0	3.0	3.0	0.0	3.0	3.0

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: HISTORIC GRANT-IN-AID
 PROGRAM: HISTORIC GRANT-IN-AID
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: GRANT-IN-AID

	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Agency Request				
General Fund	\$ 336	-0-	\$ 336	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to increase grant funds so that more grants can be awarded as well as to increase the amount awarded for a single project.

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 is in response to the number of request that are denied because of inadequate funding, over the past biennium the requests exceeded available funding by 300%.

It is also necessary to increase the amount of the grant awarded. This is in response to the growing sophistication of local and county historical organizations and their ability to carry out complicated projects that might have been beyond their ability only a few years ago. At this time a single grant may not exceed the amount of \$7,500 to be matched 100% by the grantee. There is a need to increase the amount of a grant awarded while retaining the 100% match requirement. There is also a growing change in grant requests for collections and interpretative needs in addition to preservation of historic structures.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Grant dollars awarded	\$ 189,299	\$ 204,755	\$ 530,000	\$ 530,000
No. counties served	20	45	60	60
No. grants awarded	54	50	100	100

RATIONALE:

The funding request in this CHANGE level is in response to the number and the changing nature 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. The nature of many of these projects stimulated the economy of the communities they are located in or near.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 261	\$ 263	\$ 265	\$ 265
General Fund Positions	2.0	2.0	2.0	2.0

LONG RANGE IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 336	\$ 336	\$ 672
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: ARCHAEOLOGY
Program: HISTORIC GRANT-IN-AID
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

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 provides funding to carry out the responsibilities and duties set forth in the Field Archaeology Act of the state of Minnesota. This act protects and preserves archaeological and scientific information, and objects on state property. A state archaeological site is defined as land or water area owned or leased by, or subject to, the right of the state, county, and township. 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.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Licenses issued	20	20	20	20
Site numbers issued	100	100	100	100
Reviews	200	200	200	200
Authentications	40	40	40	40
Phone calls	7,800	7,800	7,800	7,800
Agency contacts	1,000	1,000	1,000	1,000
Other contacts	50	50	50	50

EXPLANATION OF BUDGET REQUEST:

\$189,000 is requested in F.Y. 1990 and F.Y. 1991 to adequately fund the program for field archaeology in Minnesota.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : HISTORIC GRANT-IN-AID
BUDGET ACTIVITY : ARCHAEOLOGY

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	27	27	27	189	216	27	27	189	216	27
TOTAL EXPENDITURES	27	27	27	189	216	27	27	189	216	27
CHANGE REQUESTS:	FUND									
B STATE ARCHAEOLOGIST	GEN									
				189		0		189		0
TOTAL CHANGE REQUESTS				189		0		189		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	27	27	27	189	216	27	27	189	216	27
TOTAL FINANCING	27	27	27	189	216	27	27	189	216	27
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ARCHAEOLOGY
 PROGRAM: HISTORIC GRANT-IN-AID
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: STATE ARCHAEOLOGIST

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 189	-0-	\$ 189	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To implement the Field Archaeology Act (M.S. 138.3) and the Private Cemeteries Act (M.S. 307.08) in a more efficient and timely manner.

DESCRIPTION/BACKGROUND:

The state archaeologist is responsible for sponsoring, engaging in and directing fundamental research into the archaeology of the state, as well as protecting, retrieving and preserving archaeological sites and objects. In the last year there has been a 200% increase in requests for assistance from school groups, state and local agencies and private developers. This has led to a delay of several weeks before the office can respond to calls for assistance.

The number of cases handled by the state archaeologist's office (SAO) was 9,210 for F.Y. 1988 which included licenses, state site numbers, reviews, burial authentications, phone calls, agency contacts, etc. At least 33% of the cases were carried over to F.Y. 1989.

The staff of the state archaeologist's office consists of only 2 part-time and 3 volunteer archaeologists. However, the number of requests require 4 full-time and 2 part-time staff to fulfill the duties as required by law in a timely manner. This staff would consist of a state archaeologist, osteologist (human remains), archaeologist, public programs coordinator, soil scientist and student lab assistant.

The breakdown of staff hours is as follows:

	UNPAID HOURS	PAID HOURS
State Archaeologist	2,600	-0-
Asst State Archaeologist	1,300	-0-
Staff Archaeologist	3,120	1,300
Program Coordinator	2,080	1,040
Soil Scientists	2,080	-0-
Subtotal Unpaid Hours	13,000	NA
Volunteers	4,160	

TOTAL UNPAID HOURS 17,160

TOTAL PAID HOURS 2,340

The state archaeologist also authenticates all unplatted cemeteries for purposes of protection under state law. The office also maintains the official state site file for use by state agencies so that they might comply with state law.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Licenses issued	20	20	30	30
Sites numbers issued	100	100	300	300
Reviews	200	200	1,000	1,000
Authentications	40	40	340	340
Phone calls handled	7,800	7,800	10,000	10,000
Agency contacts	1,000	1,000	2,000	2,000
Other contacts	50	50	200	200

RATIONALE:

The increased workload of the part-time staff is evidenced by the 4-week backlog of projects. Agencies and private developers are frequently told they must wait until a staff person is available. This frequently results in cases not being resolved for 5-6 months. Because of these delays this can lead to a significant increase in costs to both developers and state agencies. In addition, there is a loss of tax revenue and possibly an irretrievable loss of the archaeological resources due to unauthorized work.

Public interest in archaeology has caused a dramatic increase in requests for educational programs, lectures, workshops and literature. This increased demand to educate the public must be met to facilitate the preservation of our resources at the grassroots level.

Currently, requests to the office cover projects totaling nearly \$100 million in development plans. Given the current staff it is unlikely that all of these requests can be met in one field season.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 27	\$ 27	\$ 27	\$ 27
General Fund Positions	-0-	-0-	-0-	-0-

CHANGE REQUEST

1990-91 Biennial Budget

Agency _____ Program _____ Activity X
(continuation)

ACTIVITY: ARCHAEOLOGY
PROGRAM: HISTORIC GRANT-IN-AID
AGENCY: MINNESOTA HISTORICAL SOCIETY

(Dollars in Thousands)

<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 189	\$ 189	\$ 378
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

PROGRAM: FISCAL AGENTS
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PROGRAM PURPOSE:

At the request of the governor and legislature, the society serves as fiscal agent for the following activities:

1. Sibley House Association;
2. Minnesota Humanities Commission;
3. Minnesota International Center
4. Minnesota Military Museum;
5. Minnesota Air National Guard Museum; and
6. Project 120.

PROGRAM DESCRIPTION:

The society acts as a channel in distributing state funds to the 6 activities in this program. At the beginning of each fiscal year the appropriate amount is disbursed in a lump sum to the respective activities, with the exception of the Sibley House Association. In their case, the funds are disbursed and expended on a monthly basis. The objectives of each activity and a brief discussion of their method and purpose of operation is set forth in the following activity detail sheets.

The clientele served by this program includes international visitors, students of all ages, adults, community groups and organizations, school teachers, and the general public.

EXPLANATION OF BUDGET REQUEST:

Eight CHANGE request items are requested for this program.

Sibley House Association \$60,000 is requested in F.Y. 1990 and F.Y. 1991 to support the operation of this historic complex. \$25,000 is requested in F.Y. 1990 and F.Y. 1991 for further archaeological work on the property. \$25,000 is requested in F.Y. 1990 and F.Y. 1991 to maintain the physical plant.

Minnesota Humanities Commission \$600,000 is requested in F.Y. 1990 and F.Y. 1991 to provide rural communities and hard-to-serve urban populations equal access to humanities programs.

Minnesota International Center \$5,000 is requested in F.Y. 1990 and F.Y. 1991 to better inform visiting foreign leaders about Minnesota government.

Minnesota Military Museum \$15,000 is requested in F.Y. 1990 and \$17,000 is requested in F.Y. 1991 to support the operations of this program.

Minnesota Air National Guard \$10,000 is requested in F.Y. 1990 to develop oral and video records documenting history and to provide for printing of existing reference material.

Project 120 \$10,000 is requested in F.Y. 1990 and F.Y. 1991 to provide scholarships, housing and outreach for participants.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the BASE level of funding for this program, with the following exceptions: a biennial increase of \$30,000 for Sibley House operating expenses and \$40,000 for Sibley House repairs.

The Governor further recommends that the Minnesota Historical Society, in cooperation with the Sibley House Association, work out the details required to transfer the Sibley Historic Site properties to the state of Minnesota for inclusion in the state's historic site network. For more details on this recommendation, see the Sibley House Association Activity Page.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
SIBLEY HOUSE ASSN	58	58	58	110	168	93	58	110	168	93
B SIBLEY OPERATING EXPENSES	GEN			60		15		60		15
B SIBLEY ARCHAEOLOGY	GEN			25		0		25		0
B SIBLEY REPAIRS	GEN			25		20		25		20
MN HUMANITIES COMM	47	67	47	600	647	47	47	600	647	47
B HUMANITIES CENTER IMPLEMENTATION	GEN			600		0		600		0
MN INTRNL CENTER	38	38	38	5	43	38	38	5	43	38
B PROJECT INTERACT	GEN			5		0		5		0
MINNESOTA MILITARY MUSEUM	30	0	30	15	45	30	0	17	17	0
B MIN MILITARY MUSEUM-OPERATING	GEN			15		0		17		0
MN AIR NATL GRD MUSH	20	0	20	10	30	20	0	0	0	0
B MN AIR NAT'L GUARD-OPERATING EXPENSES	GEN			10		0		0		0
PROJECT 120	69	69	69	10	79	69	69	10	79	69
B PROJECT 120-PROGRAM OPERATIONS	GEN			10		0		10		0
TOTAL EXPENDITURES	262	232	262	750	1,012	297	212	742	954	247
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	262	232	262	750	1,012	297	212	742	954	247
TOTAL FINANCING	262	232	262	750	1,012	297	212	742	954	247

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS

SOURCES OF FINANCING:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
POSITIONS BY FUND:										

TOTAL POSITIONS										

ACTIVITY: SIBLEY HOUSE ASSOCIATION
Program: FISCAL AGENTS
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PURPOSE:

To insure that this most valuable Minnesota historic site is kept open to the general public in perpetuity.

ACTIVITY DESCRIPTION:

The Sibley House properties have been open to the public since 1910 under the ownership and management of the Sibley House Association of the Minnesota Society Daughters of the American Revolution. This unique historical site encompasses the first permanent dwellings in the state of Minnesota. The Sibley and Faribault Houses are the original structures built in the 1830's of local limestone. Henry Hastings Sibley became Minnesota's first governor while occupying this house which is shown as a period home museum. The home of Jean Baptiste Faribault houses a unique Native American collection and a fur trade exhibit. The DuPuis House, built in 1853, was the residence of Hypolite DuPuis, Sibley's secretary, and serves as an interpretative center and office.

OPERATION:

The site is operated by a highly qualified and underpaid staff. Inadequate salary dollars have necessitated operating with too few paid personnel to perform the multiple duties required to attain successful management goals. In addition to the paid staff, 15,000 volunteer hours were utilized during the 1988 biennium, yet task goals remain incomplete.

RECENT BUDGET HISTORY:

In recent years the budget has provided the bare essentials to preserve the site until a permanent and adequate financial solution can be found. Due to lack of income to make necessary repairs on a credit basis, the site is suffering further deterioration.

EFFECTIVENESS MEASURE:

The site has been kept open and additional programs are in use on the site and at other locations, enabling both visitors and Minnesota residents to learn more of the area's history from our research and archaeological survey.

MAJOR ACCOMPLISHMENT:

The archaeological survey has begun and the Sibley Ice House, the only remaining original utility building in the state, has been preserved.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Adult Visitors *	2,746	3,021	2,250	2,250
No. School Children	5,537	6,091	4,560	4,560
Volunteer Hours	11,000	15,000	15,000	15,000
Total Income	\$ 77,343	\$ 75,470	75,470	75,470
State Appropriations	\$ 58,000	\$ 58,000	58,000	58,000
	(75%)	(78%)	(78%)	(78%)
Non-state Sources	\$ 19,343	\$ 17,470	17,470	17,470

* Note: 60% Senior Citizen

REVENUE: None.

EXPLANATION OF BUDGET REQUEST:

\$60,000 is requested in F.Y. 1990 and F.Y. 1991 to support the operation of this historic complex. \$25,000 is requested in F.Y. 1990 and F.Y. 1991 for further archaeological work on the property. \$25,000 is requested in F.Y. 1990 and F.Y. 1991 to maintain the physical plant.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$30,000 for operating expenses and \$40,000 for Sibley Historic Site repairs.

The Governor further recommends that the Minnesota Historical Society, in cooperation with the Sibley House Association, work out the details required to transfer the Sibley Historic Site properties to the state of Minnesota for inclusion in the state's historic site network.

The Governor recommends that the Society conduct an interim study during the 1990-91 biennium on the ownership and management of the site, the collections and artifacts, funding needed to repair and restore the site, and funding needed to operate the site. The study shall contain joint recommendations of the Society and the Sibley House Association regarding these issues as well as a recommendation on when the site should be turned over to the state. The study should be submitted to the Governor and the Legislature by 7-1-90 so that recommendations for funding can be included in the 1992-93 biennial budget document.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS
BUDGET ACTIVITY : SIBLEY HOUSE ASSN

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	41	42	42	31	73	42	42	31	73	42
EXPENSES/CONTRACTUAL SRVCS	9	9	9	52	61	31	9	52	61	31
MISC OPERATING EXPENSES	5	4	4	2	6	6	4	2	6	6
SUPPLIES/MATERIALS/PARTS	3	3	3	25	28	14	3	25	28	14
TOTAL EXPENDITURES	58	58	58	110	168	93	58	110	168	93
CHANGE REQUESTS: FUND										
B SIBLEY OPERATING EXPENSES					60	15		60		15
B SIBLEY ARCHAEOLOGY					25	0		25		0
B SIBLEY REPAIRS					25	20		25		20
TOTAL CHANGE REQUESTS					110	35		110		35
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	58	58	58	110	168	93	58	110	168	93
TOTAL FINANCING	58	58	58	110	168	93	58	110	168	93
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SIBLEY HOUSE ASSOCIATION
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: OPERATING EXPENSES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
	Amount	Positions	Amount	Positions
General Fund	\$ 60	-0-	\$ 60	-0-
Governor's Recommendation				
General Fund	\$ 15	-0-	\$ 15	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency requests the above dollar amount to insure that this most valuable Minnesota historic site is kept open to the general public in perpetuity.

DESCRIPTION/BACKGROUND:

The various elements of this CHANGE request are set forth below:

1. Miscellaneous Salary Expenses:

The salaries for our paid staff are below comparable job wages. In addition, the upkeep of the artifacts, the cataloguing of collections and the increasing number of visitors and school tours have necessitated more employee hours and expanded responsibilities for both the Site Manager and the interpreters. Without higher salaries we cannot hope to maintain the present superior calibre of our paid employees.

	F.Y. 1990	F.Y. 1991
Caretakers	\$ 1	\$ 1
Interpreters	9	9
Administrative Assistant	8	8
Site Manager	8	8
Benefits	5	5
TOTAL	\$ 31	\$ 31

2. Expenses and Contracted Services:

There has been an increased use of utilities to insure preservation of the buildings and the artifacts. As requested in the previous biennium the ice house, which has been restored, will now require heat and electricity. In addition, trash removal rates have gone up. Increased use of facilities and preservation efforts generate more trash.

We have previously paid part of the telephone from private funds which are no longer available and insurance premiums have increased with payroll and inflation.

	F.Y. 1990	F.Y. 1991
Utilities	\$ 4	\$ 4
Trash Removal	1	1
Insurance	1	1
TOTAL	\$ 6	\$ 6

3. Supplies, Materials and Maintenance:

The increase is necessary for yearly maintenance to prevent further deterioration once necessary repairs have been made.

	F.Y. 1990	F.Y. 1991
Supplies, Materials and Maintenance	\$ 23	\$ 23

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Adult Visitors *	2,746	3,201	4,000	5,500
No. School Children	5,537	6,091	7,000	9,000
Volunteer Hours	11,000	15,000	16,000	17,000

* Note: 60% Senior Citizen

RATIONALE:

1. Miscellaneous Salary Expenses:

A significant increase in salary dollars is necessary if we are to continue to show an increase in site activity and the resultant increase in revenue generated. In addition, we must continue to attract a highly qualified staff.

1,000 more interpreter hours would allow the staff to complete the cataloguing of artifacts, to deal with a backlog of paperwork, to schedule an increased number of on-site visits, to extend site visitation hours and to program even more extensive outreach programs for schools and senior groups.

The creation of the position of administrative assistant would free the site manager of routine tasks in the areas of scheduling, publicity and cataloguing and allow him/her to pursue even more vital roles in the areas of artifact maintenance, supervision of property restoration activities, grant seeking and program development.

CHANGE REQUEST

1990-91 Biennial Budget

Agency _____ Program _____ X Activity _____
 (Continuation)

ACTIVITY: SIBLEY HOUSE ASSOCIATION
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

The salary of the site manager must be increased to reflect more accurately the many responsibilities involved in this position as well as the credentials necessary for such a job.

Anticipated further restoration activities and maintenance of the grounds will increase the duties of our caretakers and an annual wage increase will be necessary for them as well.

If increased salary dollars are not received, we will be unable to keep our present skilled and experienced staff. Outreach activities will be restricted. The site will be open to the public for shorter periods resulting in decreased admissions and sales. Currently 10,000 of our 20,000 artifacts have been professionally catalogued. The demands of general upkeep and limited interpreter hours have made the completion of this task unrealistic without increased funding in this area.

2. Expenses, Contracted Services, Supplies, Materials and Maintenance:

All of these CHANGE level requests are based on actual increases during the past biennium in each area.

A future lack of funds in any of these areas -- security, telephone, heat and electricity, insurance, and trash removal -- would lead to a severe curtailment of public visitation hours, to a lack of adequate security measures for both fire and theft protection, to inadequate heat for the preservation of our buildings and artifacts, an accumulation of garbage and the risk of being underinsured in the event of loss or lawsuit.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
TOTAL INCOME	\$ 77	\$ 76	\$ 83	\$ 83
State Appropriation	58	58	58	58
Non-State	19	18	25	25
Positions	-0-	-0-	-0-	-0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 60	\$ 60	\$ 120
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$30,000 to assure that the Sibley House properties are adequately heated and maintained to prevent further deterioration.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SIBLEY HOUSE ASSOCIATION
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: ARCHAEOLOGY

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 25	-0-	\$ 25	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Funding to conduct archaeological work.

DESCRIPTION/BACKGROUND:

Further archaeological work is necessary on the site before some repairs can be initiated.

RATIONALE:

For a number of years archaeologists from both the Minnesota Historical Society and Institute for Minnesota Archaeologists have advised the Sibley House Association that our properties are one of the richest archaeological sites in the state of Minnesota. They have also advised us that no excavation or restoration activity should be initiated without a preliminary archaeological survey. Such measures must be taken before masonry can be tuckpointed below the ground or walkways repaired or replaced.

During the past 2 years we have attempted to restore and repair the Sibley Ice House, the only original outbuilding of its kind remaining in the state. The first step in this process was a complete archaeological examination of the perimeters of the building and of the pit beneath. The cost of almost \$20,000 was covered by a previous one-time state grant and our private resources.

As anticipated, a wealth of artifacts were uncovered which gave valuable insights on life in the early 1800s. These finds reaffirmed the necessity of a complete survey of the site using sophisticated equipment designed to pinpoint the areas rich in artifacts from Minnesota's past.

Without funds for this purpose we are unable to continue certain necessary restoration and repair activities and items of great interest to all students of Minnesota history will remain buried and ultimately destroyed.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 25	\$ 25	\$ 50
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor does not recommend funding for this request at this time.

CHANGE REQUEST _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SIBLEY HOUSE ASSOCIATION
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: REPAIRS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 25	-0-	\$ 25	-0-

Governor's Recommendation

General Fund	\$ 20	-0-	\$ 20	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Funding to complete repairs.

DESCRIPTION/BACKGROUND:

Major repairs which have been long delayed are necessary. They should be made immediately but could be made over a 3-year period.

RATIONALE:

All of the buildings on this site are in need of extensive repairs if we are to continue to keep the properties open to the public and to preserve these 150 year old structures for future generations. Some badly needed repairs are cosmetic, others involve far more serious structural damage and deterioration.

At the present time we are unable to use the second floor of the Faribault because of the instability of the beams and deterioration of supports in the DuPuis House basement prevent utilization of one entire area on the first floor.

A structural analysis by Setter, Leach and Lindstrom as well as assessments by the historical society estimated that over half a million dollars in repairs is necessary.

Our Restoration Fund campaign initiated in 1986 sought to raise money for this purpose. Over \$20,000 was generated, mainly through the generosity of SHA members. Support from the private sector, both corporate and foundation, was negligible. Although sensitive to our needs, their dollars are marked for human service activities.

In March of 1988 SHA total assets (not including state appropriations) were \$54,000. Of this amount \$10,000 is restricted by a Permanent Fund. The remaining \$24,000 is scarcely adequate to cover the mounting number of basic repairs. Correction of structural deterioration is not feasible. Without state funds the condition of our buildings will continue to deteriorate at a rapid pace.

In the face of increased operating costs and the formidable repairs needed at this time our membership has already expressed their desire that these properties be turned over to the state. There is no way we can operate the site and preserve it for future Minnesotans without extensive assistance. The title search done in 1986 indicates that if the SHA is unable to keep the properties open to the public, they will, in all probability be turned over to the state of Minnesota.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 25	\$ 25	\$ 50
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$40,000 for badly needed repairs and to prevent further structural deterioration of the site. These funds are to be expended as approved by the Minnesota Historical Society working in cooperation with the Sibley House Association.

ACTIVITY: MINNESOTA HUMANITIES COMMISSION **1990-91 BIENNIAL BUDGET**
Program: FISCAL AGENTS
Agency: MINNESOTA HISTORICAL SOCIETY

PURPOSE:

To provide cultural and educational humanities programs to communities and schools throughout the state.

ACTIVITY DESCRIPTION:

The mission of the Minnesota Humanities Commission is to provide access for all Minnesotans, regardless of geographic or economic barriers, to cultural and educational programs in the humanities. Those programs take many forms, ranging from entertaining Chautauqua style performances on Minnesota folklore to timely radio programs on pressing public issues such as biomedical ethics.

Just as the Minnesota State Arts Board provides financial and material support for local arts programs, the commission provides financial and material resources to local organizations developing humanities programs in their communities. A variety of groups work with the commission in this way, among them K-12 and post-secondary schools, libraries, community organizations, county historical societies, senior citizen groups, and museums.

The commission also develops and distributes "packaged" programs in the humanities that meet local needs. This second approach is particularly important because it helps the Commission serve small towns and rural communities that want programs but do not have the local resources to develop programs.

The state of Minnesota currently supports only 5% of the Minnesota Humanities Commission's program.

MAJOR ACCOMPLISHMENTS:

1. Raised over \$100,000 in private and federal funds for a major statewide traveling exhibition on Minnesota family homes.
2. Conducted an American Bar Association award winning state wide program on the United States Constitution.
3. Presented "Thomas Jefferson" to a joint session of the Minnesota State Legislature and produced a widely circulated videotape of the event.
4. Conducted a nationally recognized institute on the United States Constitution for high school and college teachers.
5. Supported award winning radio series on medical ethics and battered women.
6. Honored by the Minnesota Association of Library Friends for service to rural communities throughout Minnesota.

EFFECTIVENESS MEASURES:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Programs	350	375	700	700
Attendance (live)	26,250	28,125	52,500	52,000
(media)	2,000,000	2,000,000	2,000,000	2,000,000
Documented in-kind contributions	\$1,000,000	\$1,000,000	\$2,200,000	\$2,200,000

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Volunteer hours	2,300	2,300	3,000	3,000
Communities and schools served	120	120	250	250
Requests for assistance				
-by communities	325	325	500	600
-by schools	25	40	100	150
-by colleges	100	100	125	125

REVENUE: None.

EXPLANATION OF BUDGET REQUEST:

Since 1979, the state of Minnesota has provided general operating funds to the Minnesota Humanities Commission. The support has helped the commission provide wide access to federal funds for educational programs. Both the federal humanities program and private sector funders have cited the state support as a contributing factor in their determination to support the work of the commission.

In 1988 the commission received a one-time special appropriation of \$20,000 to plan a Humanities Center that would provide access to humanities programs for rural communities and hard-to-serve urban populations. The appropriation was matched by federal funds.

The CHANGE request the commission is submitting is for implementation funds for the Humanities Center in the amount of \$600,000 for F.Y. 1990 and \$600,000 F.Y. 1991.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS
BUDGET ACTIVITY : MN HUMANITIES COMM

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	47	67	47	600	647	47	47	600	647	47
TOTAL EXPENDITURES	47	67	47	600	647	47	47	600	647	47
CHANGE REQUESTS:	FUND									
B HUMANITIES CENTER IMPLEMENTATION	GEN									
				600		0		600		0
TOTAL CHANGE REQUESTS				600		0		600		0
SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	GENERAL									
	47	67	47	600	647	47	47	600	647	47
TOTAL FINANCING	47	67	47	600	647	47	47	600	647	47
POSITIONS BY FUND:	-----									
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA HUMANITIES COMMISSION
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: HUMANITIES CENTER IMPLEMENTATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 600	-0-	\$ 600	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The commission requests the above dollar amount to provide rural communities and hard-to-serve urban populations equal access to humanities programs.

DESCRIPTION/BACKGROUND:

In 1987 the commission received formal authorization from the Minnesota State Legislature to create a program that would provide rural communities and schools and hard-to-serve urban populations equal access to humanities programs. In 1988 the legislature appropriated planning funds for that program. The CHANGE request is for funds to implement that program.

The planning phase is now complete and the Humanities Commission is proposing that the Center provide 3 kinds of resources to rural communities and hard-to-reach urban populations:

Resources:

1. Nationally acclaimed exhibitions developed by the Smithsonian Institution.
2. Curriculum guides and other instructional materials selected by the Minnesota Council for the Social Studies, the Minnesota Council of Teachers of English, and the other professional humanities organizations serving Minnesota teachers.
3. Media programs suitable for use in classrooms and community centers that would also be suitable for broadcast on public radio, public television, and cable-access stations.

Institutes:

1. Summer institutes for K-12 teachers designed to provide educators opportunities to learn more from subject experts in the humanities.
2. Training sessions for community volunteers who serve as interpreters at local historical sites.
3. Cooperative curriculum development projects involving teachers and local historical societies, libraries, museums, and community colleges.

Packaged Programs:

1. Speakers for community festivals and other events.
2. Chautauqua style performers.
3. Artifacts presentations by professional museum staff.
4. Community discussion programs.
5. Programs designed for children, senior citizens, and other groups with special needs.

RATIONALE:

Because the commission works closely with a wide variety of cultural and educational institutions, it is well aware of the needs that are not met by its current program.

Rural public school teachers explain that their students rarely have opportunities to see the kinds of artifacts contained in major collections. They also point to the need for more opportunities for teachers to learn from subject experts.

Rural librarians explain that program funds and resources for book discussion groups, reading groups for children, and special services for senior citizens are scarce.

Board members, staff and volunteers at county historical societies explain that they lack resources and funds to work effectively with K-12 teachers.

And almost all the rural communities stress the need for more "packaged" programs--those programs the commission develops and distributes for presentation in schools, libraries and civic centers.

Program agencies serving urban populations--especially those serving senior citizens and the frail elderly confined to residential facilities--also stress the need for more "packaged" programs.

If the Humanities Center is not funded, geographic and economic barriers will prevent all Minnesotans from having equal access to cultural and educational programs in the humanities. The 1989 appropriation of \$20,000 was for planning only.

CHANGE REQUEST

1990-91 Biennial Budget

(Agency Program X Activity
(Continuation)

ACTIVITY: MINNESOTA HUMANITIES COMMISSION
PROGRAM: FISCAL AGENTS
AGENCY: MINNESOTA HISTORICAL SOCIETY

(Dollars in Thousands)

BASE:	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ -0-	\$ 20	\$ -0-	\$ -0-
General Fund Positions	-0-	-0-	-0-	-0-

(Dollars in Thousands)

LONG RANGE IMPLICATIONS:	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 600	\$ 600	\$ 1,200
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor encourages the Humanities Commission to apply to the Department of Education for a grant to achieve the objectives of this request.

ACTIVITY: MINNESOTA INTERNATIONAL CENTER
Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PURPOSE:

To increase and strengthen international interchange and understanding between Minnesotans and the world.

ACTIVITY DESCRIPTION:

The Minnesota International Center (MIC) is a statewide, nonprofit community volunteer organization now in its 35th year. MIC:

1. Arranges professional appointments and hospitality for officially-sponsored, short-term international visitors sent to Minnesota by the United States 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 about Minnesota's agricultural, economic, cultural, and recreational resources, our government, and our people.

MAJOR ACCOMPLISHMENTS:

In 35 years MIC has evolved from a small local group to a nationally-recognized, statewide center for visitor programs and world affairs education. In F.Y. 1988, MIC attracted more sponsored foreign leaders than any other comparable United States organization between the eastern and western seaboard, with the exception of Chicago. State funding, begun in F.Y. 1979, has facilitated expansion of outreach through a statewide network of community affiliates. Program statistics record MIC's impact on more than 30,000 Minnesotans per annum.

An increased legislative appropriation for 1987-89 enabled MIC:

1. To add 1.0 professional staff member and augment staff by establishing an adjunct self-governing volunteer organization ("Volunteers for MIC") to manage programs.
2. To acquire a database system which facilitates efficient use of volunteers and community resources.
3. To initiate a development campaign producing new sources of private support.
4. To institutionalize the Minnesota Awareness Project (originally funded by seed moneys from the Agency for International Development), utilizing international students as program resources for classroom teachers and community groups in 20 Minnesota communities.

5. To expand the International Student Speakers Bureau, which reached 5,550 metropolitan classroom students and 37 metropolitan community groups in F.Y. 1987-88;
6. To develop special projects in collaboration with secondary schools, community colleges, 4-H groups, and state universities;
7. To increase the quantity and quality of program arrangements for sponsored foreign visitors;
8. To further Minnesota's economic development through grant-funded conferences informing Minnesota entrepreneurs regarding overseas markets.

OTHER FUNDING SOURCES:

Sources of support are corporate, membership, and individual contributions; earned income; an annual benefit; an annual USIA incentive grant; and in the biennium, 9 additional national grants to underwrite programs. Legislative support, though increased, constitutes a decreasing percentage of total income (15.2% F.Y. 1988; 12.5% projected F.Y. 1989). In F.Y. 1988 the operating budget of \$250,000 included \$58,320 in grants obtained through national competitions. The budget was leveraged to \$500,000 through 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 \$794,272. Financial scope of the total operation was thus \$1,294,272; \$852,592 of this amount was brought into Minnesota from sources outside the state.

MAJOR GOALS:

1. To establish closer ties with communities in MIC's statewide network through team visits to network communities by MIC volunteer leaders.
2. To initiate a statewide membership campaign, increasing individual support for, and involvement in, MIC programs.
3. In the face of aggressive competition from other states, to maintain MIC's position in the top echelon of states receiving sponsored foreign leaders by providing high caliber programs involving substantial numbers of urban and rural Minnesotans, including representatives of government at all levels from state to local.
4. To continue and expand co-sponsorship of statewide conferences serving individuals, businesses and educational institutions, in cooperation with the Minnesota Trade Office, World Trade Center, and other economic development groups.
5. To remain responsive to state requests for services to state-sponsored visitors.
6. To continue expanding the use of foreign student leaders as resources for providing global education in Minnesota schools and community groups.

EFFECTIVENESS MEASURES:

Objective: To attract more than 1,000 officially-sponsored international visitors to Minnesota for professional programs and personal interaction with

ACTIVITY: MINNESOTA INTERNATIONAL CENTER 1990-91 Biennial Budget
 (Continuation)
 Program: FISCAL AGENTS
 Agency: MINNESOTA INTERNATIONAL CENTER

Minnesota citizens.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Visitors programmed	1,027	1,030	* 1,030	* 1,030
Professional appointments				
arranged for visitors	2,990	3,140	3,300	4,120
Special events/tours	831	850	870	890
Hospitality visitors hosted	612	642	675	710
Homestay nights provided	1,389	1,400	1,425	1,450
Statewide visits	319	335	350	365

* A decline in the number of federally-sponsored visitors invited to the U.S. is projected; thus a same level figure projects that an increased proportion of the total will choose to visit Minnesota.

Objective: To increase the use of foreign students as educational resources for Minnesota schools and community groups.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Classroom/community audiences	12,295	12,900	13,500	14,000

Objective: To increase the number of Minnesotans involved statewide in direct interchange with representatives from 125 or more countries of the world.

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Minnesotans involved	30,045	30,800	31,551	32,305

REVENUE: None.

EXPLANATION OF BUDGET REQUEST:

Continuation of state funding at the same level will permit achievement of the major goals listed above. Monies will be allocated among: team visits to statewide network communities (4%); a statewide membership campaign (12%); visitor programming (48%); sponsorship of conferences (14%); response to requests for services (6%); and global education for schools and community groups (16%). Additional funding for these programs and for all other MIC expenses comes from MIC's operating budget, 87.5% of which is supported by non-state sources of income.

The CHANGE level project interact, would initiate an intensive effort to increase the involvement of legislators and other governmental leaders in visitor programs during the 1990-91 biennium.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS
BUDGET ACTIVITY : MN INTRNL CENTER

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	38	38	38	5	43	38	38	5	43	38
TOTAL EXPENDITURES	38	38	38	5	43	38	38	5	43	38
CHANGE REQUESTS:	FUND									
B PROJECT INTERACT	GEN									
TOTAL CHANGE REQUESTS				5		0		5		0
SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	GENERAL									
GENERAL	38	38	38	5	43	38	38	5	43	38
TOTAL FINANCING	38	38	38	5	43	38	38	5	43	38
POSITIONS BY FUND:	-----									
TOTAL POSITIONS	-----									

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA INTERNATIONAL CENTER
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: PROJECT INTERACT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 5	-0-	\$ 5	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

Minnesota International Center (MIC) requests the above dollar amount in order to better inform foreign leaders about Minnesota government through one-on-one contacts with Minnesota legislators and other government officials.

DESCRIPTION/BACKGROUND:

Minnesota International Center arranges appointments for foreign leaders at the state, county, metropolitan and city levels, and promotes "Agriculture/Trade" and "Government, Politics, and Citizen Action -- Multi-level, State-wide" as 2 principal foci for visits to Minnesota. However, the number of legislators directly involved in visitor programs has fallen off since the closing down of the Office of Educational Services for the House of Representatives, which provided a convenient mechanism for arranging appointments at the capitol.

MIC proposes to increase linkages between legislators and officially sponsored visitors by:

1. conducting a survey of legislators to determine their specific interests in geographic areas of the world and subjects for discussion;
2. entering the information into our data base;
3. promoting this unique opportunity for visitors to learn about the functioning of state government and its interrelationships with the federal system;
4. training staff and volunteers to arrange visitor program schedules which actively involve legislators on the basis of their expressed interests and desires. Appointments would be arranged in accordance with legislators' preferences at the capitol or in their home districts, statewide.

Promotional efforts would be directed toward Washington, D.C. program agencies which determine visitors' itineraries within the U.S. A brochure describing Minnesota's program resources would be prepared and distributed. MIC now ranks 6th in the nation in the volume of governmentally-sponsored visitors it attracts, out-ranked only by major population centers/points of entry (Los Angeles, San Francisco, Orlando, Boston and Chicago). Thirty-three percent of Minnesota visitors hold governmental positions in their home countries and wish to learn about the U.S. political system. With this marketing effort, we would attract more visitors whose interests mesh with legislators' interests and would contribute to mutually beneficial interchange.

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Governmental appointments *	444	475	522	575
Legislative appointment *	84	100	200	250

* number of visitors

RATIONALE:

Increased legislative involvement in visitor programs would benefit the state. Sponsored visitors are or often become key foreign leaders, influential in establishing their countries' policies regarding trade, tourism, and/or foreign affairs. Legislators are uniquely qualified to demonstrate the workings of Minnesota's political system, inform visitors about Minnesota's leadership in technology, agriculture, education, recreation and arts, and interpret our way of life. Conversely, exchange of viewpoints can provide Minnesota leaders with new perspectives and useful background for formulating state policies regarding commerce, agriculture, and tourism.

MIC's present staff and volunteers have the training and expertise to supervise this new project. However, its implementation would require additional temporary staff and increased operating funds. The CHANGE request would underwrite the additional costs entailed in conducting the proposed survey, implementing the data entry system, and preparing promotional materials to support the marketing effort.

At the end of the biennium, after the initial groundwork has been completed, this project would be subsumed into MIC's ongoing operations with greatly reduced costs. There would be continuing expenses for updating the database and maintaining the promotional efforts, but we anticipate that trained volunteers would handle a major portion of the workload once the new system is in place.

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 1	\$ 1	\$ 2
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: MINNESOTA MILITARY MUSEUM
am: FISCAL AGENTS
cy: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PURPOSE:

The purpose of Minnesota Military Museum is to preserve and interpret military history as experienced by Minnesotans--both for purposes of research and study and to enhance public understanding of the significant role played by the military in our state and national history. 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 Minnesota's frontier forts, especially old Ripley (1849-1877), and Camp Ripley, which now encompasses the old fort;
 - c. the history of Minnesota's state forces -- militia, State/Home Guard and, especially, National Guard.
2. To instill in visitors an appreciation for the contributions and sacrifices made by the Minnesotans who have served as members of the Armed Forces, and for those who lent support on the home front.
3. To provide referral services to persons seeking information about Minnesota's military history.

ACTIVITY DESCRIPTION:

The Minnesota Military Museum is located on the grounds of Camp Ripley, a 53,000 acre National Guard training site located seven miles north of Little Falls and 125 miles north of the Twin Cities. State owned but primarily federally funded, Camp Ripley is the largest such state installation in the nation. Approximately 50,000 troops come there annually from throughout the United States for short-term training. Camp Ripley encompasses the greater part of what had been old Fort Ripley, a frontier Army post, and the new post took its name from the old. Its role in Minnesota's military history makes it a highly appropriate location for the state's military museum.

First opened in 1977 as the Camp Ripley Military Museum, the museum changed its name to the Minnesota Military Museum in 1987 to more accurately convey the broad, statewide scope of its mission. In 1987 the museum also moved into a larger, remodeled building. Open 6 days a week during the summer months and upon request during the remaining months, the museum serves both the general public and military personnel training on post.

The museum is operated by the Military Historical Society of Minnesota, a state-chartered nonprofit corporation. At present, the museum is the society's sole activity.

Financial support comes from a combination of private donations, memberships, museum store sales and from legislative grants via the Minnesota Historical Society.

RECENT ACCOMPLISHMENTS:

New museum building.

By the mid-1980s it was clear that a larger, better building was needed to house the museum's growing collection, and during the winter of 1986-87 a former regimental headquarters building at Camp Ripley was completely remodeled and enlarged for use as a new museum. The new air-conditioned building, designed specifically to accommodate the unique requirements of a modern museum, was opened to the public in late July, 1987 and dedicated in April, 1988. The museum contains 5,702 square feet of floor space, of which 3,768 is exhibit area.

Exhibit development.

The new building provided excellent layout, storage and workspace, but most exciting was the opportunity it afforded to complete redesign of the exhibits--exhibits which would better tell the story of Minnesota's military history. This exhibit development is under way, but much remains to be done. A major private fund drive to enhance the collections and exhibits will be launched in the fall of 1988.

Professional staff.

In April, 1988 the museum hired its first professional director/curator. Previous paid staff consisted of people with great interest and dedication but who lacked formal museum training. This change has led to several important improvements to the organization and interpretation of collections. The director/curator is employed full time during the summer months and part time during the rest of the year. The museum also has an assistant director who works full time during the summer. Volunteers provide substantial additional support.

UNUSUAL FEATURES OF THE MUSEUM:

The museum features an unusual combination of indoor and outdoor exhibits, although the outdoor exhibit area is less developed. Among the more unusual artifacts are these: A wooden Civil War artillery ammunition cart (extremely rare); "Jumbo" Sherman tank (of 262 manufactured for use in World War II this is the last known example in existence); L19 Light Observation aircraft (last known flyable L19), World War I French boxcar (given to the people of Minnesota from the people of France in gratitude for American aid to France in both world wars); relics of Old Fort Ripley, as well as a minutely-detailed scale model of the fort as it would have looked during 1864, its busiest year (in 1863-64 it garrisoned over 400 troops while serving as a cavalry headquarters for Indian campaigns ranging as far west as Montana); cannon given in 1862 to the First Minnesota Infantry Regiment by the United States Ambassador to Belgium, in honor of his admiration for the state; United States Springfield Model 1861 .58 caliber rifled musket used by a soldier of the First Minnesota at Gettysburg.

ACTIVITY: MINNESOTA MILITARY MUSEUM
(Continuation)

1990-91 Biennial Budget

Program: FISCAL AGENTS

Agency: MINNESOTA HISTORICAL SOCIETY

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Value of federal supply	-0-	-0-	-0-	-0-
Number of museum visitors*	9,750	10,400	12,500	14,000
Number of acquisitions	526	675	750	825
Volunteer hours	1,525	2,250	2,500	3,000
School programs	0	1	2	3

* The general public accounts for approximately 70 percent of the visitors; 30% are military personnel training at Camp Ripley.

Hours: 10:00 a.m.-5:00 p.m. (closed Mondays and national holidays), late May-early September, and other times during the year for groups by request.

EXPLANATION OF BUDGET REQUEST:

\$15,000 is requested in F.Y. 1990 and \$17,000 is requested in 1991 to support the operation of this program.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS
BUDGET ACTIVITY : MINNESOTA MILITARY MUSEUM

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	30	0	30	15	45	30	0	17	17	0
TOTAL EXPENDITURES	30	0	30	15	45	30	0	17	17	0
CHANGE REQUESTS:	FUND									
B MIN MILITARY MUSEUM-OPERATING	GEN									
				15		0		17		0
TOTAL CHANGE REQUESTS				15		0		17		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	30	0	30	15	45	30	0	17	17	0
TOTAL FINANCING	30	0	30	15	45	30	0	17	17	0
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST 1990-91 Biennial Budget
 _____ Agency _____ Program X Activity

ACTIVITY: MINNESOTA MILITARY MUSEUM
PROGRAM: FISCAL AGENTS
AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: OPERATING EXPENSES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 15	-0-	\$ 17	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The request is to support the director/curator and summer assistant.

DESCRIPTION/BACKGROUND:

A recent accomplishment has been the employment, for the first time, of a professional director/curator. This individual works full time from mid-May to mid-September and part time for the remaining 8 months of the year. Also, for the first time ever, the museum was able to employ a full time summer assistant. This improved staffing has significantly enhanced the museum's general level of organization, care of collections, exhibit interpretation and public relations. It is now our goal to employ the director full time year round.

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Value of federal supply	\$ -0-	\$ -0-	\$ 15,000	\$ 18,000
Number of museum visitors*	9,750	10,400	13,500	15,500
Number of acquisitions	526	675	800	950
Volunteer hours	1,525	2,250	3,250	4,000
School programs	-0-	1	10	15

* The general public accounts for approximately 70% of the visitors; 30% are military personnel training at Camp Ripley.

RATIONALE:

Due to a recent change in Army regulations, if the director were full time, the museum would become eligible to receive significant federal support through the US Army Museum system. Nearly every supply item a museum needs to operate: tools, office supplies, cabinets and cases, photo mounting equipment--virtually everything--can be requisitioned without cost to the museum or the State of Minnesota. But this benefit is available only to military museums which have at least 1 full time employee. The value of items available each year, items which now would have to be purchased with state or private funds, could easily exceed the additional financial support represented by the CHANGE request. Moreover, there are many more things the museum could accomplish, particularly in the way of educational outreach programs, if the director's position was entirely full time. For example, many teachers tell us that they would like to bring a school group through the museum or have someone from the museum put on a special program in their school, such as Minnesota in the Civil War. Setting up such events requires a great deal of coordination, however, and would have to be done during the time of year when, under the current system, we do not have anyone to do the work. A full-time director/curator would be needed. Finally, we will be better able to retain a professional director/curator for the long term because most such people prefer to work full time.

<u>BASE:</u>	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 30	\$ -0-	\$ 30	\$ -0-

<u>LONG RANGE IMPLICATIONS:</u>	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 17	\$ 17	\$ 34

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: MINNESOTA AIR NATIONAL GUARD MUSEUM 1990-91 Biennial Budget
Program: FISCAL AGENTS
Agency: MINNESOTA HISTORICAL SOCIETY

PURPOSE:

To collect, preserve, interpret, and display the history of the Minnesota Air National Guard through:

1. Displays of aircraft restored and painted as when used by the units.
2. Displays of photographic panels depicting activities over the years accompanied by display of artifacts, memorabilia, etc., of each era.
3. Development of extensive reference library of manuals, documents, publications, correspondence, records, etc., of historic value.
4. Documentation by audio and video tapes of "remembered" history of the Air Guard units by veterans of the past and ongoing with current members is that the "spirit" of the Guard continuously gains new life.

ACTIVITY DESCRIPTION:

The Minnesota Air Guard Museum (MnANG) occupies converted "alert hangars" on the MnANG Base at Minneapolis-St. Paul International Airport. While under the sponsorship of the 133rd Tactical Air Life Wing, the Museum represents and documents the 237th AC&W Squadron and the 210th AIS Squadron also at that base as well as the 148th Fighter Interceptor Group units at the Duluth Airport and the 208th Weather Flight at the St. Paul Downtown Airport (Holman Fld.)

Operation and financing of the Museum is the responsibility of the Minnesota Air National Guard Historical Foundation, Inc. for the 133 TAW. It is a Class C Museum in the USAF program and conforms with USAF directives as well as the guidance of the Minnesota Adjutant General and the Wing Commander. Except for the static display aircraft obtained at no cost through the USAF Museum Program and the use of the alert hangars on a no-charge lease basis from the federal government, all funding, acquisition, restoration, exhibit construction, etc., are funded through the Foundation.

Dues paying members: 372 Volunteer members (20 hrs/yr): 149 (many dues paying members also volunteer equal and greater hours)

Open-to-the-public: April-October: 10 a.m.--4p.m. Sat; 12 a.m.--4 p.m. Sun
November-March: third weekend each month
Groups by Appointment: Office hrs. 9 a.m.--3 p.m. M-T-Th-F

UNIQUE FEATURES:

The alert hangars housing the Museum are uniquely ideal for the development of the Museum. The center section which once housed a two-story boiler room and 2 levels of small specialized rooms has been totally renovated. The boiler room and an adjoining coal shed have been gutted and restructured to form a Main Gallery, bright and spacious, displaying the major history exhibits in a visually inviting atmosphere. Two of the adjacent hangar bays are currently used for aircraft restoration. One will soon be converted to

exhibit space documenting contributions by each unit of the MnANG.

The lower half of the double level continues the Main Gallery exhibit. The upper level houses the beginnings of the reference library and serves as work-meeting room. The old warehouse type windows on this level have been replaced with tinted windows, providing a viewing area of the airport operations. Current flying operations by the Air Guard can also be observed.

The ramp area in front of the Museum is being developed into an Air Park for the static display of aircraft flown by the MnANG since its beginning in 1921. Eleven such aircraft are currently in inventory in various conditions of disrepair and/or restoration. On those models no longer available, it is the long range plan to create replicas as time, talent, and funds allow.

FINANCIAL SUPPORT:

The operating Foundation receives funding through 5 major sources:

1. Biennial legislative grant through the Minnesota Historical Society.
2. Private foundation, corporate, and individual gifts and grants.
3. Membership as a "Minnesota Air Guard Historian", open to the public, with annual subscription donations to the Museum.
4. Voluntary donation by Museum visitors and Gift Shop sales.
5. Fund raising activities such as exhibits at community sponsored Air Shows, shopping mall events and similar functions.

RECENT DEVELOPMENTS:

Two factors of significance have become increasingly apparent as the number of visitors to the Museum increases--in particular, the number of Groups interested in visiting the Museum who requests tour guides to narrate their visit to make it a more meaningful experience.

1. Since the bulk of such "guide" assistance has been provided by retired Guardsmen whose service dates back before WW II, the volume of remembrances that provide color to the Air Guard history has become manifest. So much is locked in the minds of these veterans today..and will be repeated with the old-timers of tomorrow. There exists the need to record these reminiscences and memories while these veterans are still with us.
2. The collection of manuals, documents, records, etc., being cataloged for the Reference Library is invaluable. Much hard-to- find information of immense value to historians, collectors, and aircraft restoration teams lies hidden in these boxes. In addition to the sorting and cataloging which goes on weekly, an obvious need has become manifest for a machine to provide copies (at a fee) of this information to many who seek such assistance.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
Number of visitors:	8,800	10,000	12,500	15,000

ACTIVITY: MINNESOTA AIR NATIONAL GUARD MUSEUM **1990-91 Biennial Budget**
(Continuation)
Program: FISCAL AGENTS
Agency: MINNESOTA HISTORICAL SOCIETY

REVENUE: None.

EXPLANATION OF BUDGET REQUEST:

\$10,000 is requested in F.Y. 1990 to develop oral and video records documenting history and to provide for printing of existing reference materials.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS
BUDGET ACTIVITY : MN AIR NATL GRD MUSM

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	20	0	20	10	30	20	0	0	0	0
TOTAL EXPENDITURES	20	0	20	10	30	20	0	0	0	0
CHANGE REQUESTS:	FUND									
B MN AIR NAT'L GUARD-OPERATING EXPENSES				10		0		0		0
TOTAL CHANGE REQUESTS				10		0		0		0
SOURCES OF FINANCING:	FUND									
DIRECT APPROPRIATIONS:	GENERAL									
GENERAL	20	0	20	10	30	20	0	0	0	0
TOTAL FINANCING	20	0	20	10	30	20	0	0	0	0
POSITIONS BY FUND:	FUND									
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA AIR NATIONAL GUARD MUSEUM
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: OPERATING EXPENSES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's)		(000's)	
	Amount	Positions	Amount	Positions
General Fund	\$ 10	-0-	\$ -0-	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

To develop oral and video records documenting history and to provide copying service on existing reference material.

DESCRIPTION/BACKGROUND:

Each year more of the colorful details of Minnesota Air National Guard (MnANG) history is lost as former members pass on and take their memories with them. The change level would enable the museum to purchase equipment and support activities necessary to make permanent audio and video histories of the material.

Among existing records, documents, etc., there exists much valuable material the museum could pass on to historians, collectors, writers, etc. The CHANGE level would also fund equipment and activities necessary to make copies of this material (at a fee) for those who have and will request it.

RATIONALE:

The funding requested in this CHANGE level represents a type of non-recurring expense which cannot be absorbed by the Museum under present budgeting. The facilities added would improve immeasurably, the caliber of Museum services.

BASE: None.

LONG RANGE IMPLICATIONS: None.

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: PROJECT 120
 Program: FISCAL AGENTS
 Agency: MINNESOTA HISTORICAL SOCIETY

1990-91 Biennial Budget

PURPOSE:

The mission of Urban Concerns Workshops, a nonpartisan organization of volunteers and professional staff, is to increase the level of political participation of groups traditionally not involved in mainstream politics and government.

PROJECT 120 is a week-long seminar on state government for high school students, and a 3 day program for adults. PROJECT 120 brings the participants into direct contact with elected and appointed officials, as well as other participants in state government. The state capitol is the classroom in this exciting and dynamic program.

DESCRIPTION:

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.
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.

Historically, Urban Concerns offered PROJECT 120 exclusively to junior and seniors in high school. In 1986 PROJECT 120 was expanded to include freshmen, sophomores, juniors and seniors. This expansion was very well received by high school administrators, teachers and, of course, the students. High schools throughout the state have encouraged Urban Concerns to continue offering 9th through 12th grade students the chance to participate in PROJECT 120.

Through extensive outreach and personal contact with these high schools, Urban Concerns found that many high school students need to learn much more about their state government. Many students, from the seventh grade through graduation, will participate in only one, possibly two, courses in government and civics. PROJECT 120 gives these students the opportunity to learn more about their government in a positive and motivational environment--the state capitol.

In order to continue offering a diverse, quality educational program, Urban Concerns must continue to spend more time with promotional efforts.

OPERATION:

PROJECT 120 brings 30 high school students to the state capitol each week to study first-hand how state government works. Students are asked to pay a \$200 fee to cover approximately 45% 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 PROJECT 120 experience with real life activities such as school, family, community and job.

EFFECTIVENESS MEASURES:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of students	276	200	225	250
No. of hours/units (No. students x 184)	50,784	36,800	41,400	46,000
Percent change in students: pre/post attitude survey +/-%	+13.0	+10.4	+10.6	+10.8
Score on PROJECT 120 evaluation forms (perfect score 57)	52.4	53.4	53.6	53.8

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of weeks of program	10	10	10	10
No. of schools	135	125	130	135
No. of students	276	200	225	250
No. of counties	78	65	68	70
Female participants	120	120	130	140
Male participants	93	80	95	110
Minority participants	27	30	35	40
Metro area residents	56	80	95	110
Non-metro area residents	220	120	130	140
% Minority participation	9	15	16	16

REVENUE: None.

RECENT BUDGET HISTORY:

From 1985-1988, Urban Concerns received a 25% increase in state funding, while our expenditures increased by 59%. Instead of asking for more money in 1987, Urban Concerns chose to make a same level request and implemented a fee increase to help with PROJECT 120 costs. During this period, fees were increased a total of 14% per year. At this level, we feel that the PROJECT 120 fee is not detrimental to the health of the program. However, additional increases in the fee would be. During the 1990-91 biennium, there will be no fee increases. This will allow PROJECT 120 to remain the most financially accessible educational program of its kind.

MAJOR 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).

EXPLANATION OF BUDGET REQUEST:

This request is to fund the operations of PROJECT 120. PROJECT 120 brings

ACTIVITY: PROJECT 120

1990-91 Biennial Budget

(Continuation)

Program: FISCAL AGENTS

Agency: MINNESOTA HISTORICAL SOCIETY

30 high school students to the State Capitol each week during the Legislative session to study first-hand how state government works. In order to continue offering diverse, quality educational programs, Urban Concerns must continue to spend more time with promotional efforts and provide scholarships for those who are unable to afford the program fee.

The CHANGE level request is for \$10,000 in F.Y. 1990 and \$10,000 in F.Y. 1991. This increase is 14% per year for program operations, and assumes maintenance of the current fee structure.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HISTORICAL SOCIETY
PROGRAM : FISCAL AGENTS
BUDGET ACTIVITY : PROJECT 120

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	69	69	69	10	79	69	69	10	79	69
TOTAL EXPENDITURES	69	69	69	10	79	69	69	10	79	69
CHANGE REQUESTS:	FUND									
B PROJECT 120-PROGRAM OPERATIONS	GEN									
				10		0		10		0
TOTAL CHANGE REQUESTS				10		0		10		0
SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	-----									
GENERAL	69	69	69	10	79	69	69	10	79	69
TOTAL FINANCING	69	69	69	10	79	69	69	10	79	69
POSITIONS BY FUND:	-----									
TOTAL POSITIONS	-----									

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PROJECT 120
 PROGRAM: FISCAL AGENTS
 AGENCY: MINNESOTA HISTORICAL SOCIETY

REQUEST TITLE: PROGRAM OPERATIONS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 10	-0-	\$ 10	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: _____ Yes <u>X</u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

PROJECT 120 requires this funding to provide scholarships, housing and outreach for participants. PROJECT 120 is a week-long seminar on state government at the state capitol, bringing the participants into direct contact with state elected and appointed officials, and other state personnel.

DESCRIPTION/BACKGROUND:

In 1986 PROJECT 120 was expanded to include freshmen, sophomores, juniors and seniors. By expanding PROJECT 120, Urban Concerns experienced a 59% increase in program costs from 1985-1988 (see PROJECT 120 general costs chart which follows). Most of this cost increase was the result of additional outreach and personal contact with high schools throughout the state. Since 1985, Urban Concerns' program associates have spent more time visiting high schools and promoting PROJECT 120 throughout greater Minnesota.

PROJECT 120 General Costs:	1985	1988	Increase
Direct costs	\$38,336.54	\$48,114.00	26%
Staff costs			
Teachers	10,384.56	32,250.00	210%
Counselors	900.00	1,644.00	83%
Scheduler	2,344.00	2,493.00	6%
Support Staff	6,092.88	9,375.00	54%
Executive Director	6,375.00	8,000.00	25%
<u>Indirect</u>	<u>7,568.56</u>	<u>12,872.00</u>	<u>70%</u>
TOTAL	\$72,001.54	\$114,748.00	59%

EFFECTIVENESS MEASURES:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of students	276	250	275	300
No. of hours/units (No. students x 184)	50,784	46,000	50,600	55,200
Percent change in students: pre/post attitude survey +/-%	+13.0%	+10.4%	+10.6%	+10.8%
Score on PROJECT 120 evaluation forms (perfect score 57)	52.4	53.4	53.6	53.8

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. of weeks of program	10	10	10	10
No. of schools	135	140	145	150
No. of students	276	250	275	300
No. of counties	78	75	78	80
Female participants	183	150	160	170
Male participants	93	100	115	130
Minority participants	27	50	55	60
Metro area residents	56	120	130	140
Non-metro area residents	220	130	145	160
% of minority participation	9%	20%	20%	20%

RATIONALE:

Additional funding is needed for the following:

- increasing minority participation
- supplementing the current fee structure
- providing additional housing for 3-day teacher workshops

During the 1990-91 biennium Urban Concerns will be focusing on increasing minority participation in PROJECT 120. This will require additional resources for outreach, scholarships and housing. The current fee of \$200 covers a little less than half of the total cost per student of \$416 (1988). Scholarships also increase Urban Concerns' share of the costs. As mentioned in the narrative, from 1985-88 Urban Concerns received a 25% increase in state funding while our program costs increased 59%. Further fee increases would affect participation in the program. Urban Concerns has limited undesignated revenue with which to supplement additional costs.

State Department of Education personnel would like to have a 3-day teachers' training in conjunction with the week-long student program. Additional housing would be required.

If the additional funding were not available, minority and low income participation in the program (a central focus of Urban Concerns' mission) would be reduced. This would be a result of decreased outreach, less availability of scholarships and increase in fees. Total number of participants would decrease because of fee increases. Teacher education - an important factor in program effectiveness and outreach - would also be reduced.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 69	\$ 69	\$ 69	\$ 69
General Fund Positions	-0-	-0-	-0-	-0-

1990-91 BIENNIAL BUDGET

PROGRAM STRUCTURE

AGENCY: ARTS, BOARD OF

<u>PROGRAM</u>	<u>ACTIVITIES</u>	<u>SECTION</u>	<u>PAGE</u>
OPERATIONS AND SERVICES-----	Operations and Services	22	9
	Developmental Programs		12
GRANT PROGRAMS-----	Operating Support Grants		17
	Presenter Assistance Grants		20
	Artists in Education Grants		23
	Artist Assistance Grants		26
	Folk Art Grants		29
REGIONAL ARTS FISCAL AGENT-----	Regional Grants, Programs and Services		32

CHANGE REQUEST

1990-91 Biennial Budget

Agency Program Activity
(Continuation)

ACTIVITY: PROJECT 120
PROGRAM: FISCAL AGENTS
AGENCY: MINNESOTA HISTORICAL SOCIETY

(Dollars in Thousands)

<u>LONG RANGE IMPLICATIONS:</u>	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 10	\$ 10	\$ 20
General Fund Positions	-0-	-0-	-0-

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

PROGRAM: OPERATIONS AND SERVICES
Agency: ARTS, BOARD OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program allows the agency to administer its 5 grant activities and other services to the statewide arts community. The agency is governed by an 11 member board appointed by the governor and is staffed by 15 professional and clerical employees. The agency's staff composition includes 1 executive director, 1 assistant director, 4 program associates, 1 accounting officer, 1 public information officer, 1 public information assistant, 1 grants officer, 1 grants office assistant, 1 office services supervisor, and 3 support staff in clerical positions.

The governing board is responsible for establishing policy, adopting plans and budgets, awarding grants, debating important arts issues, serving as advocates for the arts, and ensuring that the agency is fulfilling its mission in the most effective manner. The staff assists the board by providing executive management, fiscal accountability, dissemination of public information, grants management, programming, and prudent expenditure of public tax dollars. The staff is comprised of well-trained professionals who make every effort to contain costs and provide efficient and effective program administration and services to the field.

OPERATION:

This program encompasses the following operations:

1. Planning for programs and services that assist the arts community in providing quality arts experiences to the citizens of Minnesota.
2. Budgeting to ensure that the state recognizes the importance of its arts industry and provides adequate economic assistance to support quality arts activities.
3. Administering grant programs and services effectively to help meet the needs of artists, arts organizations, and arts audiences.
4. Accountability to the citizens of the state by employing a quality staff who develop policies and procedures to ensure that tax dollars are expended in a consistent, fair, and legal manner.
5. Leadership by board and staff to ensure that Minnesota ranks high in the nationwide arts community.
6. Recruiting highly qualified and experienced volunteers to serve on advisory panels and make recommendations for grant awards.
7. Responsiveness to the arts community and the general public in explaining grantmaking activities and accounting for the proper use of public tax dollars.
8. Leveraging increased financial support by developing and maintaining partnership programs with the federal government and private sector corporations and foundations.

9. Accessibility to agency programs by widely distributing information about grant programs and trying to reduce bureaucratic barriers that inhibit participation by the public.

10. Serving as 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 ISSUE:

The agency has worked diligently to manage the public trust and deliver arts support with creativity and integrity. The agency made many administrative advancements over the last biennium, but it has reached a point where the financial resources available are not adequate to meet fixed and other variable operating costs.

EXPLANATION OF BUDGET REQUEST:

The CHANGE items requested in this program are \$279,000 in F.Y. 1990 and \$279,000 in F.Y. 1991. This appropriation would allow the agency to transfer 3.0 existing staff positions from federal to state funding; add 1.0 professional staff position to its current staff complement; offset anticipated reductions in federal support; assist the agency in addressing office space problems; and modestly increase line items that have been reduced or have remained static over the past few years.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$56,000 in the Developmental Programs Activity to match a grant from the National Endowment for the Arts.

While remaining requests have merit, other spending priorities preclude additional funding.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD

PROGRAM EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
OPERATIONS & SERVICES	818	914	890	279	1,169	918	890	279	1,169	918
GRANTS PROGRAM	2,654	2,686	2,471	1,931	4,402	2,546	2,471	1,931	4,402	2,546
REGION ARTS FISC AGENT	965	993	993	1,487	2,480	993	993	1,487	2,480	993
TOTAL EXPENDITURES	4,437	4,593	4,354	3,697	8,051	4,457	4,354	3,697	8,051	4,457
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	3,016	3,170	3,161	3,697	6,858	3,264	3,161	3,697	6,858	3,264
STATUTORY APPROPRIATIONS:										
FEDERAL	584	592	443	0	443	443	443	0	443	443
GIFTS AND DEPOSITS	837	831	750	0	750	750	750	0	750	750
TOTAL FINANCING	4,437	4,593	4,354	3,697	8,051	4,457	4,354	3,697	8,051	4,457
POSITIONS BY FUND:										
GENERAL	11.0	12.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0
FEDERAL	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	14.0	15.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0

AGENCY: ARTS, BOARD OF
(Continuation)

1990-91 Biennial Budget

urban areas throughout the country, the arts are being included in nearly every plan." (Source: BCA News, May-June, 1986 issue)

"...The banking business is changing rapidly, with many critical issues confronting us each day...There is a tie between the dynamics of change in business and in contemporary art." (Remarks by Dennis Evans, President and Chief Operating Officer, First Bank System, Inc. of Minneapolis, November, 1986 BCA News);

"A contribution to the arts is a smart investment. Business cannot help but benefit from an environment that sparks new ideas, encourages new ways of thinking, and values creativity." (Remarks by W.J. Brown, Chairman of the Board and Chief Executive Officer, Transco Energy Company, Houston, Texas at a reception at the Brooklyn Museum, New York, March, 1987 BCA News)

The facts and quotations cited above help to provide a somewhat different context in which legislators can view the state's investment in the arts. Aside from the democratic environment in which artistic expression exists, the quality of life issues, and the social importance of the arts, it is evident that the arts are a mature industry that has immense economic value for the state and that it is simply good business. The appropriation request pending before the legislature represents government's fair share in support of the arts and is critically important to the industry as it moves into the 1990s and beyond.

INDEX	(Dollars in Thousands)		Page
	Agency Request	Governor's	
	1990-91 Biennium	1990-91 Biennium	
	All Funds	All Funds	
BASE Level Request	\$ 8,708	\$ 8,708	
Program/Budget Activity			
CHANGE Requests:			
Operations & Services	442	-0-	11
Developmental Programs	116	56	14
Operating Support Grants	2,782	-0-	19
Presenter Assistance	222	50	22
Artists in Education	234	-0-	25
Artist Assistance	474	100	28
Folk Arts	150	-0-	31
Regional Arts Councils	2,974	-0-	34
CHANGE Requests Subtotal	\$ 7,394	\$ 206	
AGENCY Total	\$ 16,102	\$ 8,914	

Other Funding Sources:

Minnesota's state arts agency is recognized nationally for its success in aggressively working with the federal government and the private sector to develop and maintain a relatively broad system of support for the arts. The agency has a rather long and successful tradition of leveraging support for Minnesota's arts industry from the NEA, private foundations, corporations, and businesses. In F.Y.1988, for example, the agency created partnerships that added an additional \$837,000 to its resources and accounted for 18.9% of its entire budget. The agency's ability to succeed in creating and maintaining these important partnerships is primarily three-fold:

1. the legislature's continued interest in investing adequate tax dollars for comprehensive arts support;
2. the agency's commitment to quality arts and its existing grantmaking structure; and
3. the private sector's confidence in the agency's stewardship of both public and private resources.

In summary, this data and the following information exemplifies the importance of both the national and state arts industry and appears to meet the priorities set by Governor Perpich in terms of job creation and economic development, educational improvements, Minnesota's future, services for those in need, maintenance of the state's infrastructure, public service and management, and budget stability. Therefore, the state's investment in this industry is good for the economy and the general well-being of our citizens.

ATTORNEY GENERAL COSTS: None.

EXPLANATION OF BUDGET REQUEST:

The previously stated facts portray aspects of an industry that, in many ways, personifies the economic vitality and human values that have made Minnesota the envy of many other states in the nation. The multifaceted arts industry serves the public good, provides tangible human services, and has a significant economic impact on the state and the nation. A rather complex combination of earned income and contributed support sustains the growth and development of the arts in any community. As a charitable endeavor, contributed support for the arts comes primarily from a mix of sources:

1. government;
2. private foundations;
3. individuals; and
4. corporations and other businesses.

The government plays a key leadership role, as with many other industries, by providing subsidies and other incentives to artists and arts organizations in an effort to stabilize and encourage growth and development. Over the past few years, government support has not kept pace with the growth of this industry and it is important that corrective action is taken before a decline in services takes place.

The following quotes exemplify the attitudes of various business leaders and their recognition that the arts make good business sense and are an essential

ingredient to the health and well-being of a community.

"Supporting the arts improves the quality of life in the communities in which we live and work, and contributes to an environment which allows our business to grow and prosper. And certainly our support of the arts reflects the bank's role as a successful and progressive institution." (Remarks by William T. Knowles, Chairman and Chief Executive Officer, National Westminster Bank USA of New York, December, 1987 BCA News, a publication of the Business Committee for the Arts, Inc.)

"A majority of businesses--67%--continue to cite the achievement of specific business objectives as the basis for their arts funding decisions." (From BCA News, September-October, 1987)

"At Ford Motor Company we started to become involved in major art projects as we entered a new era of extraordinary foreign competition and had to face the need to develop new ways of doing business. We had to significantly reduce operating costs...(and) make major improvements in quality...Having improved quality, we want(ed) prospective buyers to recognize it...we (developed) an extensive advertising program...based on the idea that quality is job 1. At this point we had an informal contact with the National Gallery of Art about an exhibition in the planning stage, which turned out to be 'The Treasure Houses of Britain'...It seemed...to us that the quality image in this exhibition strongly reinforced the quality image that we were trying to project through our advertising." (Remarks by Robert A. Taub, Director, Corporate Affairs Planning Office, Ford Motor Company at the annual meeting of the American Association of Museum Curators, Boston, Massachusetts, September, 1987 BCA News)

"Twenty-five years ago it was inconceivable American business would support the arts. Today it is inconceivable American business would not." (Remarks by George Weissman, Chairman of the Executive Committee, Philip Morris, Inc. at a meeting of the Metropolitan New York Chapter of the Young Presidents Organization, New York, September, 1987 BCA News)

"In today's society the arts have become big box office - with enough drawing power to create new jobs, revitalize neighborhoods, boost local economies, and motivate businesses to provide sponsorship money...Many business leaders --both in Colorado and throughout the country--are acutely aware of the fact that a strong arts community is vital to attracting new industry...As a developer, I have discovered that an upfront investment in the arts pays untold dividends in the value and salability of real estate and has been an effective tool in attracting new clients...For many business people, an environment that includes the arts is absolutely necessary for doing business...That's the bottom line. The arts mean business..." (Remarks by John W. Madden, Jr., President, John Madden Company, Englewood, Colorado to the Grand Junction Chamber of Commerce at a Business and the Arts Luncheon, July, 1987 BCA News)

"(The arts are) just good business, a 'win-win' situation all the way around." (Remarks by Robert A. Burnett, President and Chief Executive Officer, Meridith Corporation, July, 1987 issue of BCA News)

"As business, government, and community agencies join forces to revitalize

AGENCY PURPOSE:

The purpose of the agency is to serve the public by supporting the arts throughout the state with grants and services funded by a biennial state appropriation; an annual federal block grant; and partnerships with the private sector. The agency has a mission statement that is fostered by 11 goal statements. The goal statements are supported by a multitude of objectives and strategies that guide the staff and board in distributing public tax dollars and providing technical assistance services to constituents.

OPERATIONS AND CLIENTELE:

The agency provides support for a broad range of artistic activities and maintains an office and a 15 member staff. The agency maintains a high degree of accountability through its administrative structure and its 11 member board who are appointed by Governor Perpich. Aside from its operations and services activity, the agency has 5 other distinct grant program activities that include:

1. Operating Support
2. Presenter Assistance
3. Artists in Education
4. Artist Assistance
5. Folk Arts

The agency also administers the state's Percent for Art in Public Places program on behalf of the Department of Administration and serves as fiscal agent for Minnesota's 11 Regional Arts Councils. In subdivision 2(b) of its enabling legislation the board is mandated to ensure that insofar as reasonably possible it will distribute board assistance equitably according to population throughout the geographical regions of the state. This is partially accomplished by the board acting as fiscal agent for legislative appropriations to the 11 decentralized Regional Arts Councils that exist across the state. The board and the Regional Arts Councils act as independent entities but work together to ensure that a comprehensive system of arts support is available and accessible to all Minnesota citizens.

BUDGET ISSUES:

The agency is aware that its appropriation request is a significant increase over the F.Y.1989 base but it is necessary if the state wishes to continue effectively responding to the needs of an industry that contributes hundreds of millions of dollars annually to the Minnesota economy.

The arts as an economic industry is a primary rationale in explaining the agency's appropriation request. The arts constitute a multi-million dollar industry that helps to sustain the economy and provides social and aesthetic value to the citizens of the state. In this section of the budget document the agency will cite statistical facts and quote business leaders who believe the arts are essential to a strong, vital economy for cities, states, and the nation.

This section of the document will first provide information that places the arts industry in a national context; the information is obtained from a recently published survey titled "A Sourcebook of Arts Statistics: 1987"

authored and published by the National Endowment for the Arts (NEA), a federal agency. Then, within the limits of availability, the document will provide data that applies only to Minnesota's arts industry.

National Arts Industry

It is important to state that some of the factual data below was obtained from 1980 census information and may appear to be somewhat dated. It is, however, the agency's educated opinion that the patterns reflected in the 1980 census data will continue into 1990 and beyond.

FACT: In 1986 America's Gross National Product (GNP) was \$4.2 trillion; \$97 billion or over 2% of the GNP originated in selected arts-related industries.

FACT: In 1986 admission receipts for selected arts-related industries was \$3.4 billion; for spectator sports it was \$3.1 billion.

FACT: In 1982 there were 1.2 million arts-related service industries subject to Federal income tax that had taxable payroll and receipts of \$426 billion.

FACT: In 1985 America's corporations gave an estimated \$488 million to the arts while states contributed only \$161 million or 33% of corporate contributions.

FACT: Between 1970 and 1980 the number of persons employed as artists in America grew by 47.3% and in 1986 artists constituted approximately 1.27% of the total U.S. work force.

FACT: In 1985 5% of all the artists in the U.S. were unemployed and a majority of artists continued to be underemployed. In 1979 the median earnings for artists in the U.S. were \$9,803 compared to \$15,206 for professional/technical workers, or 36% less.

FACT: In 1980, 86% of the artists in the nation were located in urban settings and 14% in rural areas. It is the agency's opinion that this pattern has continued, and that perhaps even more artists are now living in urban areas.

Minnesota's Arts Industry

FACT: In 1980 Minneapolis/St. Paul was home to 1.31% of all U.S. artists and ranked 13th among all the nation's 60 largest metropolitan areas in the concentration of artists.

FACT: In the Twin Cities metropolitan area alone, the arts add over \$392 million to the base of the state's economy. (Source: 1985 Metropolitan Council Economic Impact Study)

FACT: Again, in the Twin Cities alone, arts audiences exceed 3.7 million in attendance. (Source: 1985 Metropolitan Council Economic Impact Study)

FACT: The Twin Cities metro area has more nonprofit arts activity than the New York metro area on a per capita/annual expenditure basis.

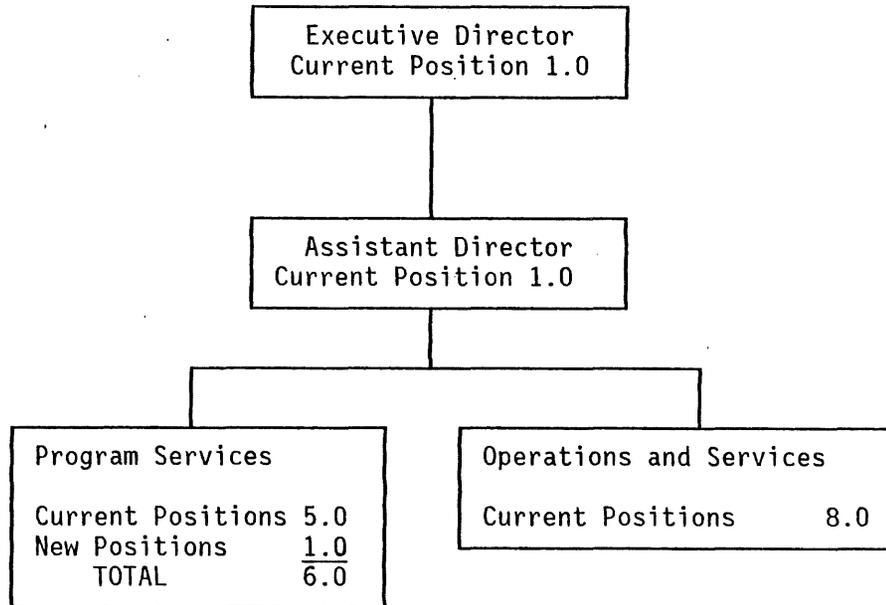
FACT: Demographics in Minnesota from the 1980 census indicate that there are 203 Black artists, 118 Hispanic artists, and 274 artists from other minority cultures; a small but significant sector of society.

FACT: In 1980 Minnesota was home to 19,512 professional artists who accounted for almost 1% of the state's total work force; Minnesota ranked 16th in the nation in the number of artists who reside in the state.

FACT: In 1988 the average per capita spending on the arts by all states was 101.3 cents; Minnesota ranked 24th in the nation at 71.6 cents per capita spending or 29% below the national average; the District of Columbia was ranked 1st by spending 566.1 cents per citizen.

ARTS BOARD OF
ORGANIZATION CHART 7-1-88

<u>POSITION RECONCILIATION</u>		
<u>AUTHORITY:</u>		
<u>LEGISLATIVE COMPLEMENT</u>	<u>CURRENT F.Y. 1989</u>	<u>REQUESTED FOR 6/30/91</u>
General Fund	12.0	16.0
Federal Fund	<u>3.0</u>	<u>0.0</u>
Total Positions	15.0	16.0
Employees on 6/30/88	15.0	



1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : OPERATIONS & SERVICES

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
OPERATIONS & SERVICES	730	732	798	221	1,019	798	798	221	1,019	798
B OPERATIONS & SERVICES	GEN			221		0		221		0
DEVELOPMENTAL PROGRAMS	88	182	92	58	150	120	92	58	150	120
B DEVELOPMENTAL PROGRAMS	GEN			58		28		58		28
TOTAL EXPENDITURES	818	914	890	279	1,169	918	890	279	1,169	918
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	438	510	505	279	784	533	505	279	784	533
STATUTORY APPROPRIATIONS:										
FEDERAL	284	303	350	0	350	350	350	0	350	350
GIFTS AND DEPOSITS	96	101	35	0	35	35	35	0	35	35
TOTAL FINANCING	818	914	890	279	1,169	918	890	279	1,169	918
POSITIONS BY FUND:										
GENERAL	11.0	12.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0
FEDERAL	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL POSITIONS	14.0	15.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0

ACTIVITY: OPERATIONS AND SERVICES
Program: OPERATIONS AND SERVICES
Agency: ARTS, BOARD OF

1990-91 Biennial Budget

Statutory Reference M.S. 139.10

PURPOSE:

This activity provides the agency with the resources necessary to administer a variety of grant programs and services to the arts industry in Minnesota.

Goal Statement: To operate an administrative office which is accountable to the citizens of Minnesota and other funding sources.

Anticipated Objectives for F.Y. 1990 and F.Y. 1991:

1. To lease the facility and maintain an office at 432 Summit Avenue, St. Paul, to serve as the agency's primary place of business.
2. To employ a staff to administer the grants, programs, and services of the agency.
3. To conduct business meetings and board committee meetings annually, with at least 1 business meeting to be held outside of the 7 county metro area.
4. To recruit, orient, and maintain volunteer advisory panels.
5. To research and prepare statistical reports related to the agency's grants, programs, and other services for public distribution.
6. To comply fully with all contracts, preliminary and final reports as required by public and private funding sources.
7. To log and respond to requests for mailing lists/labels/reports from the public; and to anticipate requests for mailing lists/labels/reports from agency staff.
8. To maintain reliable computerized office records and word processing systems that can be used by staff at varying levels of computer expertise.
9. To maintain a financial accounting system in full compliance with state standards and Generally Accepted Financial Standards.
10. To prepare a new biennial plan and budget request for the 1992-1993 fiscal period and conduct 3 regionally-based public hearings.
11. To conduct "constituency meetings" (with Regional Arts Councils and Operating Support clients) regarding the F.Y. 1992-93 biennial plan and budget.
12. To conduct a "general constituency meeting" (i.e., commentary from individual artists, artists in education representatives, series presenters, etc.) at an appropriate location.
13. To evaluate all grants, programs, and services of the agency.

STATISTICS:

	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. Applications Received and Processed	1,053	917	937	937
Final Report Compliance	96%	96%	96%	96%
No. Publications Distributed to Constituents	59,336	59,421	59,421	59,421

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : OPERATIONS & SERVICES
BUDGET ACTIVITY : OPERATIONS & SERVICES

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	

DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	477	493	417	125	542	417	417	125	542	417
EXPENSES/CONTRACTUAL SRVCS	102	99	178	37	215	178	178	37	215	178
MISC OPERATING EXPENSES	105	101	138	42	180	138	138	42	180	138
SUPPLIES/MATERIALS/PARTS	26	21	37	13	50	37	37	13	50	37
CAPITAL EQUIPMENT	10	8	8	4	12	8	8	4	12	8
REDISTRIBUTIONS	10	10	20	0	20	20	20	0	20	20

TOTAL EXPENDITURES	730	732	798	221	1,019	798	798	221	1,019	798

CHANGE REQUESTS:		FUND								
B OPERATIONS & SERVICES		GEN		221		0		221		0

TOTAL CHANGE REQUESTS				221		0		221		0

SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	416	456	463	221	684	463	463	221	684	463
STATUTORY APPROPRIATIONS:										
FEDERAL	270	241	300	0	300	300	300	0	300	300
GIFTS AND DEPOSITS	44	35	35	0	35	35	35	0	35	35

TOTAL FINANCING	730	732	798	221	1,019	798	798	221	1,019	798

POSITIONS BY FUND:										
GENERAL	11.0	12.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0
FEDERAL	3.0	3.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

TOTAL POSITIONS	14.0	15.0	12.0	4.0	16.0	12.0	12.0	4.0	16.0	12.0

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity

AC. : OPERATIONS AND SERVICES
 PROGRAM: OPERATIONS AND SERVICES
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: OPERATIONS AND SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 221	4.0	\$ 221	4.0

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency is making this CHANGE request in order to maintain high levels of excellence within its administrative structure and provide the public with maximum access to grant programs and services. The agency's objective is to ensure that its legislative mandate, governing rules, regulations, and guidelines are enforced fairly and that public tax dollars are administered in a consistent, legal manner with equal opportunity for all constituents.

DESCRIPTION AND RATIONALE FOR REQUEST:

This activity provides the agency with the resources necessary to operate an office and administer a variety of grant programs and services for the arts in Minnesota. The agency has both fixed and variable costs that contribute to its operating budget. Fixed costs constitute 66% of the budget and variable cost are 34%. The agency has little or no control over fixed costs and has been prudent in its budgeting for variable costs. In F.Y. 1989 the agency's operations and services budget was 16.3% of its total budget (all funds) and is projected to be only 12.6% in F.Y. 1990 and 12.6% F.Y.1991. Between 1981 and 1984 the state appropriation for operations and services dropped significantly and, since that time, only modest growth has been experienced. At the same time, demand for the agency's programs and services has increased to a point where the available resources are no longer adequate to support this activity.

In F.Y. 1988, for example, the agency experienced over \$30,000 in unanticipated expenditures which forced retrenchment in its F.Y. 1989 spending plan. Initially, the agency did not realize the potential impact of the new sales tax law for state agencies and the cost of contributing to the state insurance fund deficit. These unanticipated costs along with other items such as increased postal costs, fair share billing for workers compensation, and the cost of additional staffing for maternity leave, among others, has had a monumental impact on a small agency such as the Arts Board. The impact of these expenditures along with little or no growth in this line item over the past 4 years has created a serious situation in which jobs may be lost if

corrective action is not taken in the next biennium.

Specifically, the agency is requesting this CHANGE level in order to accomplish the following:

1. To transfer 3 long-term positions from the federal to the state payroll. This transfer will entitle the agency to receive state salary supplement for these positions.
2. The agency is housed in the historic, but antiquated, Livingston-Burbank-Griggs house on Summit Avenue. The agency has occupied the space since 1981 and since that time has rented it from the Minnesota Historical Society for the very low cost of approximately \$5 a square foot. It is a wonderful old building but its adaptive use as an office space is of marginal satisfaction. The agency is investigating the possibility of moving to new quarters because the inadequacies of the space often require that meetings be held in other convenient locations that are air-conditioned and handicap accessible. The agency anticipates it will spend between \$10 and \$12 a square foot for an alternative space.
3. To add 1 new Program Associate position to the existing complement.
4. To offset an anticipated reduction of \$87,000 in federal funds from the agency's annual NEA block grant.
5. To better respond to a continually increasing demand from constituents for agency programs and services; a pattern of increased demand is apparent in activity statistics.
6. To allow for a modest increase in line items that have been reduced or remained static over the last few years.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Applications Received and Processed	-0-	-0-	763	783
Final Report Compliance	-0-	-0-	-0-	-0-
No. Publications Distributed to Constituents	-0-	-0-	6,045	6,045

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 416	\$ 456	\$ 463	\$ 463
Federal Fund	270	241	300	300
Gifts & Deposit Fund	44	35	35	35

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 288	\$ 288	\$ 576

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: DEVELOPMENTAL PROGRAMS
 Program: OPERATIONS AND SERVICES
 Agency: ARTS, BOARD OF

1990-91 Biennial Budget

PURPOSE:

This is a grants activity that supports new or continuing pilot initiatives and assists in the development of selected areas within the arts industry. The activity is segmented into 4 categories:

1. American Craft Enterprises (ACE) Craftfair: In April 1989 the ACE Craftfair will enter its 3rd year as a major attraction in the state for tourism, economic development, and support for the nationwide crafts movement. The craftfair is a 5 day event at which retail and wholesale buyers can purchase objects that are created in limited numbers and are sometimes one-of-a-kind. In addition to Minnesota's Craftfair, the ACE also sponsors craftfairs in Baltimore, Maryland, West Springfield, Massachusetts, and San Francisco, California. The state's participation in this activity is perhaps one of the most beneficial in terms of return on investment. In F.Y. 1988 the state made a small contribution of \$19,000 to help offset some of the overhead costs of the event and in return the craftfair generated the following:
 - a preview benefit, held to mark the public opening of the show, drew over 500 paying guests and raised \$42,000 for the renovation of the Governor's Residence;
 - a 14% increase in sales over the 1987 show; some exhibitors saw average sale increases of 27%;
 - per capita retail and wholesale buying was also up from 1987 with a 9% increase in retail spending and a 5% increase in wholesale buying;
 - in 1988, 16,600 retail buyers purchased \$719,600 in crafts and 1,502 wholesale buyers bought merchandise valued at \$736,562; 1988 sales totaled \$1,456,162; and
 - the increases in purchasing were especially encouraging because the show was cramped for space and only 257 exhibitors were juried into the show, compared with 315 in 1987.
2. Arts in Education (AIE) Arts in Schools Basic Implementation Grant in partnership with the National Endowment for the Arts (NEA): In F.Y.1988 the agency received a \$20,000 grant from the NEA to help plan for the future of arts in education in Minnesota. In March 1988 the agency applied to the NEA for \$150,000 over a 3 year period to implement the results generated from the previous grant. The agency has been notified that Minnesota has received the full award and that its application was ranked 2nd in the nation by a panel of experts. The purpose of the NEA grant and matching state funds is to assist Comprehensive Arts Planning Program sites in implementing 5 year, comprehensive arts education plans.
3. Development of Minority and Emerging Institutions: The agency has worked hard over the years to make its programs accessible to all interested citizens of the state. However, as the ethnic and racial populations of the state continue to grow the agency will begin to take a more active role in its service to these constituents. This proposed developmental activity will allow the agency to provide needed financial resources for technical assistance purposes to institutions serving the goal of cultural diversity in the arts.
4. Percent for Art in Public Places: The agency administers the state's

Percent for Art in Public Places program through a "Delegation Order" from the Department of Administration. This activity is funded separately through capital budget appropriations and has no financial impact on this request.

Statutory Reference M.S. 139.10.

ACE CRAFT ENTERPRISES

(Dollars in Thousands)

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. Artists Competing for Space	1,000	1,000	1,556	1,556
No. of Spaces Available	257	257	400	400
No. Wholesale Buyers	1,502	1,502	1,727	1,727
No. Retail Buyers	16,600	16,600	19,090	19,090
\$ Value of Orders Placed	\$ 1,456	\$ 1,456	\$ 1,675	\$ 1,675
Retail Expenditures	\$ 720	\$ 720	\$ 828	\$ 828
Average Sales Per Exhibitor (Wholesale)	\$ 3	\$ 3	\$ 3	\$ 3
Average Sales Per Exhibitor (Retail)	\$ 3	\$ 3	\$ 3	\$ 3

ARTS IN SCHOOLS BASIC IMPLEMENTATION GRANT

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
No. Applicants	-0-	40	40	40
No. Sites Selected	-0-	15	15	15
No. Artists Participating	-0-	10	10	10
No. Individuals Benefiting	-0-	375	375	375
No. Days of Residency	-0-	105	105	105

MINORITY/EMERGING INSTITUTIONS

(Dollars in Thousands)

<u>STATISTICS:</u>	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
\$ Requested	-0-	-0-	-0-	-0-
No. Applicants	-0-	-0-	-0-	-0-
No. Grantees	-0-	-0-	-0-	-0-
No. Artists Participating	-0-	-0-	-0-	-0-
No. Individuals Benefiting	-0-	-0-	-0-	-0-

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : OPERATIONS & SERVICES
BUDGET ACTIVITY : DEVELOPMENTAL PROGRAMS

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
PERSONAL SERVICES	4	22	22	0	22	22	22	0	22	22
EXPENSES/CONTRACTUAL SRVCS	31	34	0	0	0	0	0	0	0	0
SUPPLIES/MATERIALS/PARTS	6	0	0	0	0	0	0	0	0	0
STATE OPERATIONS	41	56	22	0	22	22	22	0	22	22
AIDS TO INDIVIDUALS	0	50	50	0	50	50	50	0	50	50
LOCAL ASSISTANCE	47	76	20	58	78	48	20	58	78	48
TOTAL EXPENDITURES	88	182	92	58	150	120	92	58	150	120
CHANGE REQUESTS:	FUND									
B DEVELOPMENTAL PROGRAMS	GEN									
				58		28		58		28
TOTAL CHANGE REQUESTS				58		28		58		28
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	22	54	42	58	100	70	42	58	100	70
STATUTORY APPROPRIATIONS:										
FEDERAL	14	62	50	0	50	50	50	0	50	50
GIFTS AND DEPOSITS	52	66	0	0	0	0	0	0	0	0
TOTAL FINANCING	88	182	92	58	150	120	92	58	150	120
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: DEVELOPMENTAL PROGRAMS
 PROGRAM: OPERATIONS AND SERVICES
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: DEVELOPMENTAL PROGRAMS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 58	-0-	\$ 58	-0-
Governor's Recommendation				
General Fund	\$ 28	-0-	\$ 28	-0-
Request requires statutory change: _____ Yes <u> X </u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE:

The agency is making this CHANGE request in order to provide needed assistance for the ACE Craftfair; to provide a 1 to 1 match for a federal Arts in Education (AIE) grant from the National Endowment for the Arts (NEA); and to begin providing more significant technical assistance support to Minnesota's ethnic and racial minorities.

DESCRIPTION AND RATIONALE FOR REQUEST:

As stated on the previous activity page the agency is requesting support for 3 distinct categories within the developmental programs activity:

- ACE Craftfair: The rationale for the ACE Craftfair activity can be expressed in terms of economic development for the state and support for the nationwide crafts movement now sweeping the country. The craftfair is now entering its 3rd year and has:
 - generated \$83,593 in funds raised from 2 preview benefits for restoration of the Governor's Residence;
 - sold \$2,686,823 in merchandise to 34,822 retail and 3,215 wholesale buyers; and
 - served as a successful approach to bring tourists into the state.
- Matching funds for an AIE Arts in Schools Basic Education Implementation grant from the NEA: The rationale for the Arts in Schools Basic Education Implementation activity is as follows:
 - the state has an opportunity to leverage \$150,000 over the next 3 years from the federal government (NEA) if it appropriates 1 to 1 matching funds to assist in the development of arts education;
 - the resources will perpetuate the planning work that was done in F.Y. 1987-88 by the Arts Board, Minnesota Alliance for Arts in Education, the Minnesota School and Resource Center for the Arts, and the Department of Education; and

c. the resources will advance the status of arts education throughout the 435 school districts in Minnesota.

- Support for the development of minority and emerging institutions: The rationale for the minority and emerging institutions activity can be expressed by the following statement:

The state has an obligation to invest in the cultural heritage of the various ethnic and racial minorities in the state. These include, most predominately, Black, Asian, Spanish speaking, and Native American populations. The agency has met with and heard testimony from representatives of these communities and it appears that funding is needed to help provide a greater level of technical assistance to stabilize organizations that serve these various cultures. This CHANGE level request would allow the agency to provide technical assistance support to minority and emerging institutions throughout the state.

ARTS IN SCHOOLS BASIC IMPLEMENTATION GRANT

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
No. Applicants	-0-	-0-	-0-	-0-
No. Sites Selected	-0-	-0-	5	5
No. Artists Participating	-0-	-0-	5	5
No. Individuals Benefiting	-0-	-0-	125	125
No. Days of Residency	-0-	-0-	135	135

MINORITY/EMERGING INSTITUTIONS

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	-0-	-0-	\$ 63	\$ 63
No. Applicants	-0-	-0-	20	20
No. Grantees	-0-	-0-	17	17
No. Artists Participating	-0-	-0-	255	255
No. Individuals Benefiting	-0-	-0-	15,000	15,000

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 22	\$ 54	\$ 42	\$ 42
Federal Fund	14	62	50	50
Gifts & Deposits Fund	52	66	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 68	\$ 68	\$ 136

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$56,000 to match a 3 year Arts in Education Grant from the National Endowment for the Arts that was awarded on 11-1-88.

PROGRAM: PROGRAM GRANTS
Agency: ARTS, BOARD OF

1990-91 Biennial Budget

PROGRAM PURPOSE:

This program reflects the primary function of the agency; providing financial and technical assistance support to artists and arts organizations throughout the state who can demonstrate high levels of excellence within the established standards of review. The agency has developed 5 distinct program/service categories that assist the arts community in making programs accessible to the public and maintaining high levels of artistic excellence. The program/service categories include:

1. Operating Support grants;
2. Presenter Assistance grants;
3. Artists in Education grants;
4. Artist Assistance grants; and
5. Folk Arts grants.

The agency also manages developmental programs that include a nationally recognized craftfair (Craft Expo) and an arts in education implementation project that will become a model pilot program for arts education in the schools. In addition, the agency administers the state's Percent for Art in Public Places program in cooperation with the Department of Administration and serves as fiscal agent for Minnesota's 11 decentralized Regional Arts Councils.

Program grants assist the arts community in providing public accessibility, programs, performances, exhibitions, educational opportunities, public service activities, economic stabilization, and they help to maintain a healthy arts industry that annually generates well over \$390 million in economic activity for the state. These grants can also be considered an investment in the development of the state's successful tourism industry. Mr. Arthur Frommer, internationally recognized travel expert, has published a travel book on the Twin Cities and has identified our metropolitan area as one of the top 10 spots in the world for tourists to visit. According to the Minneapolis Star and Tribune, at the 1984 annual tourism conference in Rochester, Minnesota, Mr. Frommer claimed to be "stunned" and "staggered" at the number of theaters and plays in Minnesota and vowed to establish a series of 3 night theater holidays to the Twin Cities through his New York tour business.

OPERATION:

The agency uses a system of expert volunteer advisory panels to assist it in making grant awards. In F.Y. 1988 the agency appointed 109 volunteers to serve on 19 review panels. All applications for program activities receive a rigorous review that ensures consistency and fairness to all who apply. In brief, the process is as follows:

1. Applications: Application materials are sent to interested constituents who must then provide salient information pertaining to established review standards.
2. Information: Applicants provide a variety of information to help panel members make competitive value judgments relating to the review standards that vary from program to program but generally focus on the quality of work.
3. Processing: The agency processes between 900 and 1,100 applications a

year from constituents seeking support for their work. Each application receives a rigorous preliminary staff review before it is presented to the volunteer advisory panel for consideration. The agency places a high priority on processing all applications in a fair and consistent manner.

4. Application Review: A total of 19 volunteer advisory panels meet throughout the year to review applications and make recommendations to the board. Following each panel meeting, agency staff reviews the grant distribution process and panel recommendations for consistency with administrative rules and procedures and changes are made if warranted.
5. Grant Awards: The agency's governing board meets approximately 8 times a year to review panel/staff recommendations and give final approval for distribution of grant awards.

BUDGET ISSUE:

The agency's program grants are an important part of the entire system of support for Minnesota's arts industry. The state's participation in this system has remained relatively static over the past 5 years and, as a result, has not kept pace with the needs of this very important industry. In each of the following activity narratives justification will be provided for the CHANGE level increases reflected in this appropriation request.

EXPLANATION OF BUDGET REQUEST:

The CHANGE items requested are \$1,931,000 in F.Y. 1990 and \$1,931,000 in F.Y. 1991. The CHANGE level increases will allow the state to better respond to the needs of an important social and economic industry.

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$50,000 in the Presenter Assistance Activity to match a grant from the Northwest Area Foundation and \$100,000 in the Artist Assistance Activity to match a grant from the National Endowment for the Arts.

While the remaining requests have merit, other spending priorities preclude additional funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : GRANTS PROGRAM

ACTIVITY EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
OPERATING SUPPORT	2,165	2,209	2,103	1,391	3,494	2,103	2,103	1,391	3,494	2,103
B OPERATING SUPPORT	GEN			1,391		0		1,391		0
PRESENTER ASSISTANCE	72	74	74	111	185	99	74	111	185	99
B PRESENTER ASSISTANCE	GEN			111		25		111		25
ARTISTS IN EDUCATION	188	180	176	117	293	176	176	117	293	176
B ARTISTS IN EDUCATION	GEN			117		0		117		0
ARTIST ASSISTANCE	209	198	118	237	355	168	118	237	355	168
B ARTIST ASSISTANCE	GEN			237		50		237		50
FOLK ARTS	20	25	0	75	75	0	0	75	75	0
B FOLK ARTS GRANTS	GEN			75		0		75		0
TOTAL EXPENDITURES	2,654	2,686	2,471	1,931	4,402	2,546	2,471	1,931	4,402	2,546
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,613	1,667	1,663	1,931	3,594	1,738	1,663	1,931	3,594	1,738
STATUTORY APPROPRIATIONS:										
FEDERAL	300	289	93	0	93	93	93	0	93	93
GIFTS AND DEPOSITS	741	730	715	0	715	715	715	0	715	715
TOTAL FINANCING	2,654	2,686	2,471	1,931	4,402	2,546	2,471	1,931	4,402	2,546
POSITIONS BY FUND:										
TOTAL POSITIONS										

ACTIVITY: OPERATING SUPPORT GRANTS
 Program: PROGRAM GRANTS
 Agency: ARTS, BOARD OF

1990-91 Biennial Budget

PURPOSE:

This is a single category grants activity. The activity operates in partnership with The McKnight Foundation and supports the work of over 50 arts organizations throughout the state. The McKnight Foundation provides \$715,000 annually to this activity. The purpose of the program is to provide qualified organizations with a portion of the contributed funds necessary to maintain quality programs and operations and to encourage the creation of exemplary artistic endeavors that contribute to the growth and development of artistic forms of expression. The Operating Support grants are primarily unrestricted and can be used for a multitude of purposes relating to the operations of recipient organizations. Organizations who receive grants from this activity must demonstrate to the board that they have achieved high standards of excellence in their art form, management, financial, and outreach activities.

This activity is highly competitive among applicants and within its current budget the agency can provide only about 57% of the funds requested. The organizations that participate in this activity are medium to large size and provide significant services to the citizens of the state. The aggregate cash revenue budgets of these organizations is in excess of \$67 million and their impact on the state's economy is significant. Aside from the aesthetic pleasure that these organizations bring to Minnesotans, they also provide jobs, procure products and services from businesses throughout the state, add to the quality of life, and contribute to a healthy economy.

Goal Statement: To provide operating support to Minnesota's medium and large-sized nonprofit arts institutions.

Anticipated Objectives for F.Y. 1990 and F.Y. 1991:

1. To award unrestricted operating support grants to no fewer than 50 arts organizations.
2. To maintain a continuing financial partnership with the The McKnight Foundation to administer \$715,000 in McKnight grants to applicable arts institutions.
3. To make at least one site visit to each grantee during the year.

Statutory Reference M.S. 139.10.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	\$ 3,789	\$ 2,099	\$ 3,966	\$ 2,164
No. Applicants	55	53	64	55
No. Grantees	53	51	55	55
No. Artists Participating	20,808	20,808	22,016	22,016
No. Individuals Benefiting	38,499,000	38,499,000	41,013,000	41,013,000
Grantees Cash Revenue Budget	\$ 75,175	\$ 75,707	\$ 76,107	\$ 76,107
Average % of State Support of Grantees Cash Revenue Budget	1.92%	1.96%	1.95%	1.95%

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : GRANTS PROGRAM
BUDGET ACTIVITY : OPERATING SUPPORT

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	2,165	2,209	2,103	1,391	3,494	2,103	2,103	1,391	3,494	2,103
TOTAL EXPENDITURES	2,165	2,209	2,103	1,391	3,494	2,103	2,103	1,391	3,494	2,103
CHANGE REQUESTS:										
B OPERATING SUPPORT				1,391		0		1,391		0
TOTAL CHANGE REQUESTS				1,391		0		1,391		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	1,350	1,388	1,388	1,391	2,779	1,388	1,388	1,391	2,779	1,388
STATUTORY APPROPRIATIONS:										
FEDERAL	100	100	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS	715	721	715	0	715	715	715	0	715	715
TOTAL FINANCING	2,165	2,209	2,103	1,391	3,494	2,103	2,103	1,391	3,494	2,103
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: OPERATING SUPPORT GRANTS
 PROGRAM: PROGRAM GRANTS
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: OPERATING SUPPORT GRANTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$1,391	-0-	\$1,391	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: _____ Yes <u> X </u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is making this CHANGE request in order to better serve the 50 or more qualified statewide arts organizations in providing services to the citizens of Minnesota and in meeting the budget priorities established by Governor Perpich.

DESCRIPTION AND RATIONALE FOR REQUEST: The agency currently provides Operating Support grants to large and medium sized arts organizations across the state. Operating Support grants are awarded on a 2 year cycle with an interim application. These organizations are important to the state's arts industry and provide jobs and economic development as well as add to the quality of life for our citizens. The business of the arts is a central characteristic of these organizations and their success is often a reflection of the health of the state's economy.

Since F.Y. 1982 the growth of Minnesota's arts organizations has far outdistanced the agency's ability to provide adequate support. Between F.Y. 1982 and F.Y. 1989 the resources available for this activity have grown by only 30% or \$968,900 to \$1,388,000. At the same time, the aggregate budgets of these organizations have grown by 83% or \$41,217,178 to \$75,707,349.

In F.Y. 1990 and F.Y. 1991 the agency anticipates that an additional 10 organizations may be qualified to receive grants from this activity; these 10 will be in addition to the 53 existing grant recipients already receiving support from this activity. The following are among some of the most important reasons why the state should increase its support to these organizations:

1. The organizations receiving support from this activity are perhaps the most fundamental component of the arts as an economic industry. In aggregate, these organizations contribute significantly to the state's priorities of job creation and economic development, education, services to those in need, research focused on the future, maintenance of the state's infrastructure, emphasis on public service and management, and budget stability.
2. Large and medium sized arts organizations employ the largest single

3. Arts organizations help to create an environment in which commerce and industry are encouraged to locate and add to the economic vitality and revitalization of a community.
4. Educational programs designed by arts institutions are used at the primary, secondary, and college levels. In 1988, the Minneapolis Institute of Arts, for example, reached 84,904 students across the state with educational materials they developed and the Walker Art Center held 9 separate teacher training workshops and 2 special week-long workshops for educators last year.
5. Arts organizations have become a major tourist attraction in Minnesota and provide incentive for the tourism industry. Arthur Frommer, the renowned travel expert, for example, recently published a travel guide to the Twin Cities and devoted an entire chapter of the book to theater.
6. Minnesota's arts institutions reach audiences around the world with productions and exhibitions they developed. For example, the Walker Sculpture Garden is a permanent attraction to tourists and collectors nationwide; "The Gospel at Colonus," produced by the Guthrie Theater is now on Broadway; an exhibition of the work of Minnesota's artist Paul Manship produced by the Minnesota Museum of Art has toured the U.S.; and the Minnesota Orchestra recently toured to Australia and Hong Kong.

In view of the economic impact of these organizations and their ability to provide jobs and contribute to the overall growth and development of the state, the appropriation request is a justifiable and prudent investment of public tax dollars.

(Dollars in Thousands)

STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	\$ -0-	\$ -0-	\$ -0-	\$ 615
No. Applicants	-0-	-0-	-0-	5
No. Grantees	-0-	-0-	5	5
No. Artists Participating	-0-	-0-	1,513	1,513
No. Individuals Benefiting	-0-	-0-	3,142	3,142
Grantees Cash Revenue Budget	-0-	-0-	\$ 500	\$ 500
Average % of State Support of Grantees Cash Revenue Budget	-0-	-0-	1.83%	1.83%

(Dollars in Thousands)

BASE:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 1,350	\$ 1,388	\$ 1,388	\$ 1,388
Federal Fund	100	100	-0-	-0-
Gifts & Deposits Fund	715	721	715	715

(Dollars in Thousands)

LONG RANGE FUNDING IMPLICATIONS:	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 1,808	\$ 1,808	\$ 3,616

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: PRESENTER ASSISTANCE
Program: PROGRAM GRANTS
Agency: ARTS, BOARD OF

1990-91 Biennial Budget

PURPOSE:

This program is divided into 3 categories:

1. Series Presenters grants;
2. touring grants in partnership with the Northwest Area Foundation; and
3. touring grants specifically for dance companies in partnership with the National Endowment for the Arts (NEA).

The purpose of these activities is to provide Minnesotans with access to the finest local, regional, national, and international artistic events available.

1. Within the Series Presenters activity, a presenter is defined as any non-profit organization which engages touring artists or exhibitions, pays a fee for these activities, and manages a local presentation. A local presentation includes marketing the event, contracting with 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. As with all grant programs, applications in this activity are reviewed by an experienced volunteer advisory panel who are appointed by the board to read and judge grant applications as they relate to the review standards of artistic excellence, quality series management, and accessibility to the public. The funding provided through this program is used to subsidize artists' fees, facility and technical costs, travel and lodging, and promotion of the series.
2. The touring program in partnership with the Northwest Area Foundation is intended to provide direct subsidy to Minnesota organizations that tour solely within the state. There is no current program that offers this type of support to arts organizations. The agency expects to receive a 3 year grant of \$150,000 from the foundation to be matched by \$50,000 in state support for the 1st 2 years of the partnership; the state will leverage \$2 for every \$1 it contributes.
3. The Dance/Inter-Arts/State (DIS) program at the NEA has invited state arts agencies to apply to this program. The state would request \$20,000 from the NEA to be matched by \$20,000 in state support for the biennium. The NEA and most state arts agencies have determined that dance touring, in particular, is in a state of crisis and that specifically designated resources are necessary to assist groups in their touring efforts.

Goal Statement: To help make the arts geographically accessible to the public through touring programs and other incentives.

Anticipated Objectives for F.Y. 1990 and F.Y. 1991:

1. To administer the Series Presenters program to fund organizations that provide series in the performing, visual, or literary arts.

2. To implement a partnership with the Northwest Area Foundation that supports in-state touring by Minnesota companies.
3. To implement the NEA's Dance/Inter-Arts/State (DIS) program to support dance touring beginning in F.Y.1990.

Statutory Reference M.S. 139.10

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	\$ 164	\$ 130	\$ 195	\$ 227
No. Applicants	14	12	18	21
No. Grantees	8	8	11	12
No. Artists Participating	1,661	1,083	1,489	1,620
No. Individuals Benefiting	323,367	178,360	344,937	376,284
Budget	\$ 1,899	\$ 1,447	\$ 1,989	\$ 2,170

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : GRANTS PROGRAM
BUDGET ACTIVITY : PRESENTER ASSISTANCE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	72	74	74	111	185	99	74	111	185	99
TOTAL EXPENDITURES	72	74	74	111	185	99	74	111	185	99
CHANGE REQUESTS:	FUND									
B PRESENTER ASSISTANCE	GEN									
TOTAL CHANGE REQUESTS				111		25		111		25
SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	-----									
GENERAL	72	74	74	111	185	99	74	111	185	99
TOTAL FINANCING	72	74	74	111	185	99	74	111	185	99
POSITIONS BY FUND:	-----									
TOTAL POSITIONS	-----									

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: PRESENTER ASSISTANCE
 PROGRAM: PROGRAM GRANTS
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: PRESENTER ASSISTANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 111	-0-	\$ 111	-0-

Governor's Recommendation

General Fund	\$ 25	-0-	\$ 25	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency is making this CHANGE request in order to better meet the needs of Series Presenters and provide matching support for partnerships with both the Northwest Area Foundation and the National Endowment for the Arts.

DESCRIPTION AND RATIONALE FOR REQUEST:

The agency has identified 3 distinct ways in which grant funds can be allocated to qualified organizations within Minnesota. The rationale for the CHANGE request for these 3 categories of the Presenter Assistance activity are as follows:

1. These grants help to make ticket prices more affordable to Minnesota residents and, as a result, a larger number and greater variety of Minnesotans have increased access to high quality arts experiences.
2. The organizations involved in presenting and touring provide jobs. Their employees pay personal income tax, procure goods and services from local businesses, serve as a catalyst for tourism throughout the state, and encourage community support for the arts.
3. This program is important in leveraging support from federal and private sources to augment state support for the arts.
4. The program serves as a catalyst in rebuilding or renovating unused spaces in a community and thereby adding to city revitalization and economic development.
5. The program serves as an economic asset in many communities in 2 ways: 1st, touring companies spend money on food, gasoline, lodging, and personal items among others. Additionally, audiences often times dine out prior to a performance, purchase tickets, and engage in post-performance activities that generate economic exchange.

STATISTICS:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	-0-	-0-	\$ 120	\$ 120
No. Applicants	-0-	-0-	61	65
No. Grantees	-0-	-0-	42	49
No. Artists Participating	-0-	-0-	1,966	2,240
No. Individuals Benefiting	-0-	-0-	177,704	265,428
Budget	-0-	-0-	\$ 7,596	\$ 8,861

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 72	\$ 74	\$ 74	\$ 74

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 204	\$ 204	\$ 408

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$50,000 to match a proposed 3 year grant from the Northwest Area Foundation to create a dance network in Minnesota.

ACTIVITY: ARTISTS IN EDUCATION
Program: PROGRAM GRANTS
Agency: ARTS, BOARD OF

1990-91 Biennial Budget

PURPOSE:

The board's Artists in Education (AIE) activity works in partnership with the National Endowment for the Arts (NEA) and has 3 component parts that help provide a relatively comprehensive delivery system for artists' residencies. The 3 components are:

1. direct grants to schools and organizations involved in arts education;
2. a juried "roster of artists" from which school officials may choose qualified artists to work with them in developing and implementing a residency project; and
3. a joint teacher/artist project at sites participating in the state's Comprehensive Arts Planning Program (CAPP).

The activity also has a pilot component that is described in this document under the developmental programs activity.

This activity is perhaps one of the most fundamental aspects of arts growth and development. Artists in Education programs exist in virtually every state arts agency in the country and serve to augment existing arts programs within schools. Arts education is critical to the development of a literate arts audience and it serves as a catalyst for those students who have the talent to become professional artists. The program does not supplant existing arts curriculum but, instead, provides a unique experience for students that would otherwise not be available through standard arts classes. Residencies can range from 5 days to 1 year in length and may involve 1 or more artists. Artists work with the schools to tailor a residency activity that will best meet their needs. Schools may apply to the board for partial financial assistance, and applications are reviewed for quality of residency experience, ability to manage the residency, and quality of artist(s) participating.

Goal Statement: To nurture the arts in public educational settings.

Anticipated Objectives for F.Y. 1990 and F.Y. 1991:

1. To support artist residencies in K-12 schools throughout the state by making grants in 2 categories: School Support and Organizational Support.
2. To maintain a partnership with and obtain funding from the NEA's State Arts in Education Grant Category.
3. To implement the NEA's basic arts program.
4. To schedule workshops throughout the state to assist artists and educators in the development of residencies, grantwriting, and any changes in program policy.
5. To provide and log technical assistance to educators and artists through individual consultations, workshops, and meetings.
6. co-manage CAPP with a group of organizations (i.e. Arts Board,

Minnesota Department of Education, Minnesota Alliance for Arts in Education, and Minnesota School and Resource Center for the Arts).

7. To identify rural, underserved schools and provide special technical assistance.
8. To prepare the AIE Roster of Artists for use in F.Y.1992 and F.Y.1993.

Statutory Reference M.S. 139.10

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	\$ 277	\$ 238	\$ 298	\$ 208
No. Applicants	69	66	72	68
No. Grantees	54	36	39	39
No. Artists Participating	182	150	178	178
No. Individuals Benefiting	549,890	545,886	541,999	541,999
Total Cost of Grant Activities	\$ 660	\$ 562	\$ 623	\$ 623
Total In-Kind Contributions	\$ 35	\$ 41	\$ 30	\$ 30
No. Roster Artists Applicants	103	103	86	86
No. Roster Artists Selected	54	54	58	58
No. Requests for the Roster	1,104	1,104	1,104	1,104

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : GRANTS PROGRAM
BUDGET ACTIVITY : ARTISTS IN EDUCATION

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	188	180	176	117	293	176	176	117	293	176
TOTAL EXPENDITURES	188	180	176	117	293	176	176	117	293	176
CHANGE REQUESTS:										
		FUND								
B ARTISTS IN EDUCATION		GEN		117		0		117		0
TOTAL CHANGE REQUESTS				117		0		117		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	78	86	83	117	200	83	83	117	200	83
STATUTORY APPROPRIATIONS:										
FEDERAL	110	94	93	0	93	93	93	0	93	93
TOTAL FINANCING	188	180	176	117	293	176	176	117	293	176
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ARTISTS IN EDUCATION
 PROGRAM: PROGRAM GRANTS
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: ARTISTS IN EDUCATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 117	-0-	\$ 117	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency is making this CHANGE request in order to increase resources available for school residencies and to introduce a matching grants category dedicated to Comprehensive Arts Planning Program (CAPP) sites to allow for special joint teacher/artist projects.

DESCRIPTION AND RATIONALE FOR REQUEST:

The Artists in Education activity is fundamental to the development of future audiences and professional artists. The agency believes that arts are basic to a child's education and that artistic literacy is just as important as the other educational requirements for high school graduation. The CHANGE request will enable the agency to:

1. To increase matching support for residencies in as many of the 435 school districts as possible;
2. To strengthen and broaden the involvement of community arts resources, individual artists, and arts organizations in school programs;
3. To offer cost-effective residencies as an alternative approach for schools to work with professional, practicing artists;
4. To pilot new ways beyond residencies for artists and teachers to partner in school districts who have participated in CAPP. The CAPP program has proven successful in 82 schools to date as an effective means for change and long-term improvements in arts education; and
5. To leverage additional federal support to help make residencies more affordable and accessible to schools across the state.

STATISTICS:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	-0-	-0-	\$ 15	\$ 182
No. Applicants	-0-	-0-	20	29
No. Grantees	-0-	-0-	26	26
No. Artists Participating	-0-	-0-	67	67
No. Individuals Benefiting	-0-	-0-	203,664	203,664
Total Cost of Grant Activities	-0-	-0-	\$ 235	\$ 235
Total In-Kind Contributions	-0-	-0-	\$ 12	\$ 12
No. Roster Artists Applicants	-0-	-0-	-0-	-0-
No. Roster Artists Selected	-0-	-0-	-0-	-0-
No. Requests for the Roster	-0-	-0-	-0-	-0-

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 78	\$ 86	\$ 83	\$ 83
Federal Fund	110	94	93	93

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 137	\$ 137	\$ 274

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

ACTIVITY: ARTIST ASSISTANCE
Program: PROGRAM GRANTS
Agency: ARTS, BOARD OF

1990-91 Biennial Budget

Statutory Reference M.S. 139.10

PURPOSE:

This grant activity is segmented into 5 categories:

1. Fellowships;
2. Career Opportunity Grants;
3. Career Advancement Residencies;
4. Long-Term Fellowships; and
5. support for Minnesota artists who will be designated as "Living Treasures."

The purpose of this program is to provide assistance to emerging, mid-career, and established artists who have achieved excellence in their chosen art forms. Minnesota is ranked 16th nationally in the number of artists who have elected to live and work in the state. According to the 1980 census almost 20,000 professional artists make Minnesota their home. They constitute 1.31% of all the artists in America and are the foundation of Minnesota's nationally recognized arts industry. In business terms, individual artists can be characterized as the "research and development" component of the arts. These individuals are, many times, the risk takers in the arts and they experiment with artistic expression in much the same way a scientist experiments with untested ideas and theories. The individual artist is a primary source of growth and development within the arts industry in Minnesota.

Goal Statement: To support the professional development and artistic growth of Minnesota's individual artists.

Anticipated Objectives for F.Y. 1990 and F.Y. 1991:

1. To administer an Artist Assistance Fellowship program which will provide fellowship grants to individual artists.
2. To provide technical assistance to individual artists.
3. To evaluate the effectiveness of applicable agency programs by conducting 1 interview with each funded artist.
4. To administer a Career Opportunity Grants program.
5. To administer a career advancement residency activity.
6. To administer a multi-year fellowship program for individual artists funded through the National Endowment for the Arts Challenge Grant III Program.
7. To administer a "Minnesota's Living Artist Treasures" activity to honor artists who are long established in their careers.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	\$ 3,293	\$ 3,493	\$ 3,529	\$ 3,529
No. Applicants	814	669	675	685
No. Grantees	61	47	47	47
No. Artists Participating	398	280	280	280
No. Individuals Benefiting	58,972	43,592	43,592	43,592
Total Cost of Grant Activities	\$ 483	\$ 431	\$ 431	\$ 431
Total In-Kind Contributions	\$ 109	\$ 94	\$ 94	\$ 94
% of Grant Dollars Requested and Funded	6.3%	5.4%	5.3%	5.3%

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : GRANTS PROGRAM
BUDGET ACTIVITY : ARTIST ASSISTANCE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS	209	198	118	237	355	168	118	237	355	168
TOTAL EXPENDITURES	209	198	118	237	355	168	118	237	355	168
CHANGE REQUESTS:	FUND									
B ARTIST ASSISTANCE	GEN									
				237		50		237		50
TOTAL CHANGE REQUESTS				237		50		237		50
SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	-----									
GENERAL	113	119	118	237	355	168	118	237	355	168
STATUTORY APPROPRIATIONS:	-----									
FEDERAL	70	70	0	0	0	0	0	0	0	0
GIFTS AND DEPOSITS	26	9	0	0	0	0	0	0	0	0
TOTAL FINANCING	209	198	118	237	355	168	118	237	355	168
POSITIONS BY FUND:	-----									
TOTAL POSITIONS	-----									

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: ARTIST ASSISTANCE
 PROGRAM: PROGRAM GRANTS
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: ARTIST ASSISTANCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 237	-0-	\$ 237	-0-

Governor's Recommendation

General Fund	\$ 50	-0-	\$ 50	-0-
--------------	-------	-----	-------	-----

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The agency is making this CHANGE request in order to enhance its current activities and develop a more comprehensive delivery system of grants to meet the needs of individual artists and the budget priorities established by Governor Perpich.

DESCRIPTION AND RATIONALE FOR REQUEST:

The agency currently provides modest resources for fellowships and career opportunity grants. On the average, the agency provides 5.6 cents on each dollar requested and is able to support only 35% of the qualified artists who apply. The rationale for this CHANGE request includes the following:

1. Our society values art, and therefore must value and support artists.
2. Supporting the creative work of individual artists maintains the foundation for all arts activity and appreciation. "Without the individual artist there would be no 'arts' at all. Symphonies would be silent without composers, theaters empty without playwrights or individual actors, museums would be sterile caverns without individual painters and sculptors. The individual, in the end, is the creator, the creative spark. Of course, combinations of creative talents often surpass what an individual can create. Without the individual, art is dead, finished." (Remarks by Louis Harris at an American Council on the Arts meeting, September, 1986.)
3. Works of individual artists such as Shakespeare or Gilbert and Sullivan, enjoyed for generations and even centuries after they were initially created, continue to inspire and teach audiences as well as continue to generate economic activity.
4. It is often said that organizations can effectively support the works of individual artists, but in reality very few symphonies, museums, and theaters are dedicated to productions by contemporary composers, play-

wrights, and visual artists but rather to the work of artists no longer living. Also, a large number of artists are not aligned with organizations of any kind.

5. In F.Y. 1988, 78 artists in all disciplines made it to the final ranking in the agency's review process; all of these artists met the high standard of review by panels and would have been funded if more resources were available. A total of only 27 artists received fellowships.
6. A 1981 report by Northeastern University on Massachusetts artists indicated that for every \$4 earned as an artist, \$3 was expended in production. The study concluded that "there is no other example of an occupation in which such a group of highly trained professionals find it necessary to earn most of their income outside their field."
7. As a direct result of the individual endeavors made possible by fellowships awarded to Minnesotans in F.Y. 1984 and F.Y. 1985, approximately 20 concerts, 45 exhibitions, 13 dance and theater performances, 16 literary works, and 6 film/video screenings were complete and presented to the public. In other words, the state receives a significant return on its investment.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	-0-	-0-	\$ 5,726	\$ 5,726
No. Applicants	-0-	-0-	650	650
No. Grantees	-0-	-0-	43	43
No. Artists Participating	-0-	-0-	243	243
No. Individuals Benefiting	-0-	-0-	34,994	34,994
Total Cost of Grant Activities	-0-	-0-	\$ 346	\$ 346
Total In-Kind Contributions	-0-	-0-	\$ 73	\$ 73
% of Grant Dollars Requested and Funded	-0-	-0-	1.5%	1.5%

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 113	\$ 119	\$ 118	\$ 118
Federal Fund	70	70	-0-	-0-
Gifts & Deposits Fund	26	9	-0-	-0-

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 326	\$ 326	\$ 652

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$100,000 to match a 3 year grant from the National Endowment for the Arts for the new Challenge Grant III program.

ACTIVITY: FOLK ARTS
Program: PROGRAM GRANTS
Agency: ARTS, BOARD OF

1990-91 Biennial Budget

PURPOSE:

This is a relatively new activity within the board's program structure and it works in partnership with the National Endowment for the Arts (NEA). It began in 1984 when the NEA recognized Minnesota's need to develop its folk arts and culture and began awarding grants so the agency could retain a full-time folk arts professional. At the time, Minnesota was the only state in the Upper Midwest that did not have a program in the folk arts. The NEA provided support for 3 years, at which time the state assumed financial responsibility for the position. The NEA, however, has continued its support by providing funding for an apprenticeship program.

The board's Folk Arts activity has 5 component parts that include:

1. apprenticeships with master artists (federally funded);
2. a "juried directory" of practicing folk artists for use by presenting venues,
3. traditional recordings,
4. support for folk arts organizations; and
5. a state folklife festival.

Goal Statement: To encourage and promote the public's understanding of Minnesota's folk arts heritage.

Anticipated Objectives for F.Y. 1990 and F.Y. 1991:

1. To continue an Apprenticeship program in which masters are matched with apprentices.
2. To complete the recording and written documentation for a folk music recording series.
3. To continue to promote the folk arts through staff appearances in either the electronic or print media.
4. To assist in programming folk arts events at a festival in Minnesota.
5. To present 2 week workshops for training Minnesota teachers in folk arts documentation techniques, or a program about the folk arts which would tour to schools in Minnesota.
6. To publish and distribute a juried Folk Artists Directory.
7. To implement grant support for organizations that wish to program in the folk arts.

Statutory Reference M.S 139.10

STATISTICS: in Thousands)

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	\$ 54	\$ 56	\$ 60	\$ 60
No. Applicants	27	28	30	30
No. Grantees	11	15	17	17
No. Artists Participating	143	195	206	206
No. Individuals Benefiting	117,101	79,495	70,761	80,761
Total Cost of Grant Activities	\$ 29	\$ 40	\$ 45	\$ 45
Total In-Kind Contributions	\$ 7	\$ 10	11	11
No. Directory Applicants	-0-	43	70	70
No. Directory Artists Selected	-0-	32	60	60
No. Requests for the Directory	-0-	359	400	450

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : GRANTS PROGRAM
BUDGET ACTIVITY : FOLK ARTS

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
AIDS TO INDIVIDUALS	20	25	0	75	75	0	0	75	75	0
TOTAL EXPENDITURES	20	25	0	75	75	0	0	75	75	0
CHANGE REQUESTS:										
B FOLK ARTS GRANTS				75		0		75		0
TOTAL CHANGE REQUESTS				75		0		75		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	0	0	75	75	0	0	75	75	0
STATUTORY APPROPRIATIONS:										
FEDERAL	20	25	0	0	0	0	0	0	0	0
TOTAL FINANCING	20	25	0	75	75	0	0	75	75	0
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: FOLK ARTS
 PROGRAM: PROGRAM GRANTS
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: FOLK ARTS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 75	-0-	\$ 75	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-
Request requires statutory change: _____ Yes <u> X </u> No				
Statutes Affected:				

STATEMENT OF REQUEST/OBJECTIVE: The agency is making this CHANGE request in order to help support the production costs of a series of traditional recordings, provide matching grants to organizations seeking to program in the area of folk arts, and assist another agency or organization in establishing a statewide folk arts festival.

DESCRIPTION AND RATIONALE FOR REQUEST: The agency currently provides support to promising apprentice artists who wish to study the traditional folk arts with a qualified master. This Apprenticeship program is funded by the National Endowment for the Arts (NEA) and is critical in maintaining folk arts traditions between generations. The agency has also established a "juried directory" of folk artists that is used by organizations wishing to program folk arts in parks, at festivals, or other performing venues.

The agency is planning in the next biennium to continue its development of traditional music recordings in partnership with private sector funders, provide grants to organizations who wish to program folk arts events, and assist another organization in the development of a state folk festival. The rationale for the CHANGE request includes the following:

1. The agency's folk arts activity is the only one of its kind in the state with the sole mission of serving the folk arts and it is highly accessible to artists, rural and urban communities, and the public in general.
2. This activity is important because it helps to support folk artists who are typically not served by existing arts programs. The folk arts served by this activity include traditions such as ethnic styles of old time music; Native American pipe making, and decorative painting styles ranging from Ukrainian Easter eggs to Jewish marriage contracts to name only a few.
3. The activity helps to preserve and maintain folk arts traditions from generation to generation through the Apprenticeship program. At present, 11 talented Minnesota folk artists have been matched with master artists to learn a variety of traditional art forms. The Apprenticeship program is currently helping master/apprentice artists in Czech style concertina, Harp playing, quilting, Ojibwa black ash basketry, and rosemaking,

among others.

4. The activity promotes public presentation and accessibility to the work of folk artists. In F.Y. 1989 a juried Folk Artists Directory is to be mailed to almost 400 arts presenters who will use it to present high-quality folk artists to the public.
5. The activity helps to present folk artists in public settings such as state parks and festivals and it provides the public with an opportunity to visit with artists and experience various folk arts traditions 1st hand.
6. The activity allows for research into the folk arts traditions of Minnesota. At present, the agency is working in partnership with the Minnesota Historical Society to produce the 1st in a series of record albums and companion booklets relating to Minnesota's music traditions. The 1st 4 albums will record Norwegian, Ojibwa, Mexican, and ethnic Polka music styles.
7. The activity allows for increased accessibility to and awareness of Minnesota's folk arts heritage. Through a series of 26 radio modules broadcast on over a dozen radio stations across the state, the activity has reached thousands of people; entertaining them with such diverse topics as Hmong needlework, fishing guide story-telling, Jewish traditional music, New Ulm's Heritage Fest, and Norwegian hardanger music.
8. The activity works to educate Minnesotans about the state's folk arts traditions. The activity has allowed for a graduate-level, 3 credit course titled "Folk Arts in Folk Culture" to be offered in partnership with the Minnesota School and Resource Center for the Arts. The 1st time it was offered in July, 1988 a total of 22 teachers took the course and now have lesson plans that can be used to integrate the folk arts with existing curriculum materials.

STATISTICS:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ Requested	-0-	-0-	\$ 75	\$ 90
No. Applicants	-0-	-0-	10	12
No. Grantees	-0-	-0-	6	6
No. Artists Participating	-0-	-0-	180	180
No. Individuals Benefiting	-0-	-0-	13,000	13,000
Total Cost of Grant Activities	-0-	-0-	-0-	-0-
Total In-Kind Contributions	-0-	-0-	-0-	-0-
No. Directory Applicants	-0-	-0-	-0-	-0-
No. Directory Artists Selected	-0-	-0-	-0-	-0-
No. Requests for the Directory	-0-	-0-	-0-	-0-

BASE: None.

LONG RANGE FUNDING IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 83	\$ 83	\$ 166

GOVERNOR'S RECOMMENDATION: The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

PROGRAM: REGIONAL ARTS COUNCILS FISCAL AGENT **1990-91 Biennial Budget**
Agency: ARTS, BOARD OF

PROGRAM PURPOSE: To promote, stimulate, and support arts activities at the local/regional level. This is accomplished through 11 Regional Arts Councils 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 Regional Arts Councils are:
1. To increase the support and quality of local arts productions 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 the arts at the regional and community level.
 4. To initiate and continue special programs that respond to the needs of local arts communities and promote cultural diversity.

Providing professional support services is an important activity of Regional Arts Councils because of the developmental nature of the regional program. By providing information and referral, technical assistance, direct programming and special activities, Regional Arts Councils work to refine, expand and upgrade the skills and capacities of arts organizations, artists and arts sponsors at the local/regional level. Regional Arts Councils may initiate special programs which assist the planning and development of local arts programs, address the unique needs of their regions' arts community or serve their communities' arts audiences.

	(Dollars in Thousands)			
	Actual F.Y. 1988	Act/Est F.Y. 1989	Estimate F.Y. 1990	Estimate F.Y. 1991
EFFECTIVENESS MEASURES:				
No. of grant applications received	355	375	400	410
No. of grant applications funded	245	245	325	350
Dollar amount requested by arts organization grantees	\$ 686	\$ 700	\$ 1,600	\$ 1,640
Dollar amount able to fund	\$ 467	\$ 467	\$ 1,300	\$ 1,400
No. of arts organizations reached through services	3,230	3,715	4,000	4,200

NOTE: The above figures include state allocated funds only. The Regional Arts Councils also regranted \$287,000 during F.Y. 1988 from The McKnight Foundation.

OPERATIONS: Regional Arts Councils make grants available to over 3,230 nonprofit, arts-producing and sponsoring organizations in the local areas of Minnesota. Beyond these arts organizations served directly through grants programs, the Regional Arts Councils serve over 13,156 nonprofit organizations and individuals through services such as producing publications, conducting workshops, providing information and referral, providing 1 to 1 consulting and technical assistance, and developing special programs for the development of more and better art in Minnesota.

- Regional Arts Councils 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 arts-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 and promote cultural diversity in local communities. These services include 1 to 1 technical assistance about grants writing, fund raising, audience development, and organizing as a nonprofit. The councils also provide services to independent artists, 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, skills-building workshops, and conferences for community and small professional arts organizations.

BUDGET ISSUES: The following changes have occurred or will occur during this biennium:

1. Increased demand for access to arts programs in local communities throughout the state developed from a greater civic recognition of the contribution made by artists and arts organizations to economic development, cultural diversity, and community pride. Increased funding would enable Regional Arts Councils to respond to the need as evidenced by regional needs assessments.
2. In response to the high demand for assistance and modest increase in funding, Regional Arts Councils have had to place artificial limits on the amounts granted for projects. Other policies developed by the Councils narrow the type and scope of grants programs assisting the arts.
3. In the last 4 years, the number of arts organizations reached by Regional Arts Councils increased 148%, and in the last 4 years, 193 organizations have received funding for the 1st time.
4. The complexity of responsible management of nonprofit organizations has resulted in a greater demand for skills-building workshops, forums, and technical assistance from nonprofit arts organizations.
5. State funding has worked as a catalyst to stimulate private investment in the arts from such sources as individual donations, foundations, and the business community.
6. With increased funding, Regional Arts Councils could leverage federal dollars to provide more assistance to underserved geographic areas, underserved art forms, and local emerging community arts groups.

EXPLANATION OF BUDGET REQUEST: The CHANGE items requested for this program in F.Y. 1990 is \$1,487,000 and \$1,487,000 in F.Y. 1991 and will support increased Sponsorship and Production grants; increased services to local/regional arts organizations, for assistance to currently underserved geographic areas, audiences, art groups and art forms, and provide new dollars to match federal arts funding.

GOVERNOR'S RECOMMENDATION: The Governor recommends the BASE level funding for this program.

The Governor's recommendation does not provide for the CHANGE level increase requested. While the request has merit, other spending priorities preclude additional funding.

1990-91 B I E N N I A L B U D G E T
(DOLLARS IN THOUSANDS)

AGENCY : ARTS BOARD
PROGRAM : REGION ARTS FISC AGENT
BUDGET ACTIVITY : REGION GRNTS-PROG-SERV

EXPENDITURES:	F.Y. 1990						F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	965	993	993	1,487	2,480	993	993	1,487	2,480	993
TOTAL EXPENDITURES	965	993	993	1,487	2,480	993	993	1,487	2,480	993
CHANGE REQUESTS:	FUND									
B REGIONAL ARTS GRANTS,PROGRAMS,SERVICES	GEN									
				1,487		0		1,487		0
TOTAL CHANGE REQUESTS				1,487		0		1,487		0
SOURCES OF FINANCING:	-----									
DIRECT APPROPRIATIONS:	-----									
GENERAL	965	993	993	1,487	2,480	993	993	1,487	2,480	993
TOTAL FINANCING	965	993	993	1,487	2,480	993	993	1,487	2,480	993
POSITIONS BY FUND:	-----									
TOTAL POSITIONS	-----									

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: REGIONAL GRANTS, PROGRAMS, AND SERVICES
 PROGRAM: REGIONAL ARTS COUNCILS FISCAL AGENTS
 AGENCY: ARTS, BOARD OF

REQUEST TITLE: REGIONAL GRANTS, PROGRAMS, AND SERVICES

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 1,487	-0-	\$ 1,487	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X 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 citizen participation in the arts, as well as encourage federal, public, and private support of the arts, to occur at the local level.

In relation to their objectives, with increased support, Regional Arts Councils will:

- Increase the number, size and type of grant programs offered to local organizations to produce arts events and sponsor touring artist residencies. Currently 355 projects are funded. The new level of funding will allow a greater number of projects to be supported at higher levels and will make a broader scope of funding programs available.
- Provide more services of higher quality to local audiences, artists, and arts organizations.
- Increase local, private, and public support for the arts directly to Regional Arts Councils and indirectly through matching requirements for grants.
- Be able to develop new arts programs in underserved geographic areas, to underserved audiences, culturally diverse and emerging arts groups and arts forms; encourage artistic risk taking by established arts organizations, and support increased touring arts activities throughout greater Minnesota.
- Provide more effective capacity building activities through workshops, information, and communication venues for local arts groups.

DESCRIPTION/BACKGROUND:

Regional Arts Councils are a successful vehicle for distributing resources to regionally based organizations statewide with local review and decision making. That this program is working can be documented by an increase in the number of arts organizations, individuals, and audiences served by Regional Arts Councils with their limited resources. Unfortunately, the Regional Arts Councils 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. Regional Arts Councils have artificially suppressed demand for support by adopting policies to restrict eligibility requirements to limit the number, size, and types of activities considered. This has limited the potential and scope of local arts organization activities.

RATIONALE:

The need for financial support and professional services at the local/regional level is far greater than Regional Arts Councils have been able to provide. The volunteer councils have been unable to address a large number of much needed services identified by local communities through regular needs assessments and biennial plans. By strengthening the organizational development of local arts groups through capacity building retreats and workshops, initiating programs for leadership development and making the arts accessible to geographically, economically, and culturally diverse underserved populations of Minnesota, an enhanced environment for living and working can be achieved.

Since 1981, during times of reduced funding or with minimum levels of increased support, Regional Arts Councils have taken on additional programs to meet local needs. These programs include: supporting touring activities statewide through sponsor assistance; strengthening professional arts organizations and Regional Arts Councils, with the help of McKnight Foundation grants; and supporting special programs to meet community needs. With increased support, arts 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 will contribute to a healthier economy. Increased support will provide a pool of new money enabling the Regional Arts Councils to leverage federal funds.

The state support for the arts granted by Regional Arts Councils serves as seed money to generate additional support by local organizations in matching funds. Furthermore, the grant programs offered by Regional Arts Councils are often the only source of public funding available to encourage local arts activities. They are 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 Regional Arts Councils will grow and benefit the entire state.

BASE:

	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund	\$ 965	\$ 993	\$ 993	\$ 993

LONG RANGE FUNDING IMPLICATIONS:

	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 2,727	\$ 2,727	\$ 5,454

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

AGENCY: MINNESOTA HUMANE SOCIETY

1990-91 Biennial Budget

AGENCY PURPOSE:

Minnesota Laws 1987, Chapter 394 abolished the Minnesota Humane Society as a state agency and directed the Commissioner of Administration to begin proceedings to dissolve the non-profit corporation. Assets of the dissolved corporation are to be transferred to a state federation of county and district societies for the prevention of cruelty to animals, as provided by M.S.CH. 317. Until the society is dissolved, the Commissioner of Administration has undertaken all necessary administrative functions of the Society per M.S. 16B.38.

No state funds are requested for the Humane Society for F.Y. 1990-91.

GOVERNOR'S RECOMMENDATION:

No funding is requested. The Commissioner of Administration is winding down the affairs of the Minnesota Humane Society under the authority of Minnesota Laws 1987, Ch. 394, and M.S. 16B.38.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : HUMANE SOCIETY
PROGRAM : HUMANE SOCIETY
BUDGET ACTIVITY : HUMANE SOCIETY

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
MISC OPERATING EXPENSES	11	0	0	0	0	0	0	0	0	0
TOTAL EXPENDITURES	11	0	0	0	0	0	0	0	0	0
SOURCES OF FINANCING:										
STATUTORY APPROPRIATIONS:										
GIFTS AND DEPOSITS	11	0	0	0	0	0	0	0	0	0
TOTAL FINANCING	11	0	0	0	0	0	0	0	0	0
POSITIONS BY FUND:										
TOTAL POSITIONS										

AGL PURPOSE:

The Minnesota State Horticultural Society, established in 1866, is a semi-state educational agency dedicated to the advancement of horticulture in Minnesota. (The term "horticulture" includes the science and practice of gardening with fruit and nut trees, vegetables, flowering plants, grasses, shrubs and shade trees.) MSHS promotes and undertakes horticultural programs which benefit both rural and urban communities for the enhancement of quality of life in Minnesota.

OBJECTIVES:

To achieve its overall purpose, the society performs the following services: 1) publishes Minnesota Horticulturist; 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.

MAJOR POLICY ISSUES/AGENCY PRIORITIES:

Leadership changes (staff and board of directors) have initiated expanded activities within MSHS. Making maximum use of limited resources, intern and student positions help to fill present staffing needs. Plans to increase revenue resources will enable permanent staff expansion to meet current and future needs. Organizational planning, including developing a 5-year strategic plan, has determined a course of stable future growth.

MSHS has outgrown its present office/library space. Plans are being made to move to rented space in July, 1989. An additional legislative request to support a permanent building at the site of Cass Gilbert Park in St. Paul has been developed for consideration in the 1989 session. The proposed building would be occupied by 1992.

OPERATIONS AND CLIENTELE:

Membership in the organization is open to any interested person and is currently comprised of hobbyists and professionals interested in any area of horticulture.

All members of MSHS receive Minnesota Horticulturist. Minnesota Horticulturist serves as the only regularly published magazine especially for northern horticulture and as an educational tool in providing horticultural information.

To promote education of members and the public, MSHS maintains an extensive library of horticultural books, periodicals, slide and tape presentations. Throughout the year, library materials support local program needs; this horticultural information is circulated upon request of member clubs and individuals and is available for reference by any interested person. In the past years, MSHS has worked with some rural communities with horticultural

and landscape beautification projects for public and commercial areas, providing plant material, consultant services and assistance to volunteer in the environmental development of their communities. In 1983 a new community land stewardship program, "Minnesota Green," gained support and cooperation from over 50 other groups as MSHS began a strong emphasis on community involvement in neighborhood plantings in Minneapolis and St. Paul. "Minnesota Green" will expand to include communities throughout the state in 1989-90.

MSHS will expand its role as the state's horticultural umbrella organization by developing listings of horticultural resources, programs and activities. The organization also plans to be an active force in cooperative ventures with state agencies and other organizations.

MSHS serves as the state body for some 250 garden club organizations throughout the state. The clubs are organized into 11 districts, each of which is represented on the board of directors. These local organizations promote the goals and objectives of MSHS in their communities. Club members plant and maintain many public community gardens and are concerned with local land use. The needs of MSHS statewide constituency is an important consideration in present and future organizational planning.

The organization sponsors workshops, seminars, tours. MSHS sponsors numerous educational displays and programs throughout Minnesota, including community schools, a biennial convention, the Minnesota State Fair, county fairs, and Twin Cities Home and Garden shows. Most of these activities involve strong volunteer commitment. Added support in the areas of horticultural programs, environmental education and leadership development are planned for 1989-91.

Volunteers are important in setting and accomplishing MSHS goals. Through a standing committee of the board of directors, MSHS serves as a certifying organization for horticultural judges in Minnesota. Other volunteer committees of the board of directors are currently addressing statewide horticultural inventories, society needs in expanding visibility, educational program implementation and member services requests.

ACTIVITY STATISTICS:

Some 12,000 individuals are members of the society, which includes 5,000 garden club members, libraries, schools and educational organizations. Through 11 district organizations and nearly 250 community garden club organizations, MSHS reaches throughout Minnesota.

ATTORNEY GENERAL COSTS: MSHS does not pay attorney general costs.

OTHER FUNDING SOURCES:

Outside fundraising efforts will aid in expanding the program and service base to upgrade library, add needed materials and equipment, expand outreach to greater Minnesota and develop seminars in the areas of horticulture, environmental awareness and volunteer leadership to be presented statewide.

Paid memberships will comprise approximately 60% of revenue in the next biennium. Increased emphasis on membership development is planned to

AGENCY: MINNESOTA STATE HORTICULTURAL SOCIETY 1990-91 Biennial Budget
(Continuation)

substantially increase cash flow and to better serve our constituency of Minnesotans.

Other revenue sources include donations of about 10%. Program fees and earned income (proceeds from tours, educational programs, magazine sales, advertising and product sales) will make up 10% of the first year budget, rising to 15%. Outside fundraising efforts will aid special projects as explained below.

While membership dues are the largest MSHS revenue source, added pricing to the dues structure can be a limiting factor for growth. MSHS seeks economies of scale and anticipates that added volume of memberships will result in relatively little change in future dues during the next 2 years. In July 1988, membership dues for affiliated garden club memberships were raised to better match actual costs of producing materials received by members.

EXPLANATION OF BUDGET REQUEST:

The state legislative appropriation request represents approximately 20% of the society's total proposed budget in the first year of the biennium. State support would decrease to 15% during the second year. This will be used for general operating expenses as in the past.

MSHS is submitting 2 CHANGE requests for consideration. The first is for \$37,000 in F.Y. 1990 and \$38,000 in F.Y. 1991 for rent, equipment and furnishings. The second is for \$25,000 in F.Y. 1990 and \$17,000 in F.Y. 1991 for an educational services coordinator. MSHS also requests authority to re-allocate monies remaining from an appropriation for the garden state project (Laws of 1978, Chapter 793, Sec. 24) to the "Minnesota Green" project.

GOVERNOR'S RECOMMENDATION:

The Governor recommends BASE level funding for this agency. The Governor also recommends that the agency be given the authority to re-allocate monies previously appropriated to the garden state project to the "Minnesota Green" project.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : MN STATE HORTIC SOC
PROGRAM : HORTICULTURE
BUDGET ACTIVITY : HORTICULTURE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	67	67	68	62	130	68	68	55	123	68
TOTAL EXPENDITURES	67	67	68	62	130	68	68	55	123	68
CHANGE REQUESTS:										
B RENT, EQUIPMENT AND FURNISHINGS					37	0		38		0
B EDUCATIONAL SERVICES COORDINATOR					25	0		17		0
TOTAL CHANGE REQUESTS					62	0		55		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	67	67	68	62	130	68	68	55	123	68
TOTAL FINANCING	67	67	68	62	130	68	68	55	123	68
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: MINNESOTA STATE HORTICULTURAL SOCIETY
 PROGRAM: MINNESOTA STATE HORTICULTURAL SOCIETY
 AGENCY: MINNESOTA STATE HORTICULTURAL SOCIETY

REQUEST TITLE: RENT, EQUIPMENT AND FURNISHINGS

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 37	-0-	\$ 38	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

MSSH request funds for rent, equipment purchase and furnishings as they move to meet the growing demand for horticultural resources and education and to increase outreach potential. MSSH has outgrown its present office/library space in the U. of M. Horticultural Science Building. Plans are being made to move to a rented space by July, 1989. Rental space will include offices, classrooms, library and storage. Adequate parking for program participants, office and library visitors is also a consideration in seeking a new location.

An additional Capital Budget request to the 1989 legislative session asks support for a permanent building, tentatively to be located at Cass Gilbert Park, St. Paul. Furnishings and equipment purchased during the 1989-91 biennium at this time could be moved to the future new home.

The objective of the request is to offer improved and expanded services. Meeting horticultural challenges in the harsh, northern climate has always been a goal, and expanding the service base to meet needs of Minnesota's increasing population is a natural progression of this emphasis.

DESCRIPTION/RATIONALE:

As plans are developed for the next 5 years and beyond, the need for MSSH to expand is evident. Permanent staff have remained at the same level for many years while demands from growing membership have expanded. Any expansion in program necessitates additional space.

Defining constituent needs and assessing staff capabilities have determined plans for expansion of current program base. Members want more access to the informational library, which includes improved parking and building access. Nearly half of MSSH members live in greater Minnesota; they indicate a strong

need for greater staff and program presence away from the Twin Cities. Program materials (slides and video tapes) are requested at an increasing rate.

National trends indicate a rekindling of interest in home horticulture, moving from food production toward landscaping, environmental concerns and hobby interests. MSSH organizational planning includes increased service to an expanded clientele, relying on continued interest in horticulture by residents throughout the state. Plans adopted by the board of directors include expanding membership by 15-20% per year between now and 1994.

SUMMARY OF CHANGE REQUEST: (all funding sources)	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Equipment and Materials	\$ 23	\$ 9
Furnishings	41	6
Rent and Utility Expenses 2,200 sq. ft. office & 1,800 sq. ft. multipurpose	48	48
TOTAL:	\$ 112	\$ 63

SOURCES OF FUNDING:

MSSH has contracted with a fundraising organization to develop a base of funding for special projects, building maintenance and furnishings, and development of a capital campaign to support a proposed new building in the future.

	F.Y. 1990	F.Y. 1991
Outside Fundraising	\$ 75	\$ 25
General fund	37	38
	\$ 112	\$ 63

BASE: None.

MSSH has been housed free of charge for many years at the Horticulture Building (Alderman Hall) on the U. of M. St. Paul Campus. The furnishings and equipment requests is based upon 2 facts: current equipment and furnishings need replacement to enable staff to function more effectively; new staff persons need equipment and furnishings to accomplish intended job duties. Replacement reserves for equipment have not been incorporated into previous budgets; so no funds are available for new items.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 38	\$ 38	\$ 76

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: MINNESOTA STATE HORTICULTURAL SOCIETY
 PROGRAM: MINNESOTA STATE HORTICULTURAL SOCIETY
 AGENCY: MINNESOTA STATE HORTICULTURAL SOCIETY

REQUEST TITLE: EDUCATIONAL SERVICES COORDINATOR

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 25	-0-	\$ 17	-0-

Governor's Recommendation

General Fund	\$ -0-	-0-	\$ -0-	-0-
--------------	--------	-----	--------	-----

Request requires statutory change: Yes No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

MSHS requests the above funds to hire a staff person to better serve members and the public throughout Minnesota, develop volunteer leadership and coordinate statewide educational programs.

Quality programs in the area of home and community horticulture education are a tradition with MSHS. Volunteer speakers offer share their interest and expertise enthusiastically, to offer information on a variety of garden and education and beautification topics. A staff person, able to leverage additional volunteer expertise, can deliver a wealth of service to Minnesotans.

DESCRIPTION/RATIONALE:

This request is for funding a new staff position, plus benefits and a portion of administrative expenses for this position beginning 7-1-89. The added staff person would be responsible for the following:

- Expand statewide horticultural seminar opportunities.
- Develop, plan and implement core curriculum with horticulture topic areas, environmental concerns and community leadership themes.
- Develop tours, workshops, educational sessions and displays to be presented at public events.
- Outreach to expand circulation of library materials and other horticultural information.
- Plan and access training for volunteers in all emphasis areas, cooperating with horticultural and professional resources.

The need for added horticulture educational services throughout the state has been noted through a recent member needs assessment, conducted by an independent organization as part of a fundraising feasibility survey. Additional educational programs, seminars and tours will serve needs of many Minnesotans, produce added revenue and heighten the visibility of the organization.

The proposed expanded educational outreach by MSHS does not duplicate existing services available through state or private agencies. MSHS seeks to cooperate with other organizations, expanding its role as the umbrella organization for Minnesota horticultural information to facilitate and provide opportunities for other organizations to share their program expertise to audiences at MSHS-sponsored seminars and events. Such opportunities will benefit all participating organizations and provide valuable information to more Minnesotans than ever before.

SUMMARY OF CHANGE REQUEST: (all funding sources)	(Dollars in Thousands)	
	F.Y. 1990	F.Y. 1991
Salary	\$ 18	\$ 19
Benefits	3	3
Expenses	4	5
TOTAL: \$52	\$ 25	\$ 27

SOURCES OF FUNDING:

MSHS requests start-up funds for this staff position for F.Y. 1990. The F.Y. 1991 request will be reduced, anticipating that a portion of the funds needed to sustain the staff position would come from revenue generated by programs and seminars.

General Fund	\$ 25	\$ 17
Program Revenue		10
	\$ 25	\$ 27

BASE: None.

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 12	\$ 5	\$ 19

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

AGENCY: ACADEMY OF SCIENCE

1990-91 Biennial Budget

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; as well as address the scientific educational need of the Minnesota populace. This provides a means for advancing science education, promoting scientific research, supplementing the science curriculum, providing an avenue for expression by secondary students interested in science and also encourages the growth of science technology and academia within the state of Minnesota.

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 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 and organizing science clubs, all for secondary students.
2. An annual achievement recognition program for undergraduate and graduate level science students attending colleges and universities within the state of Minnesota.
3. Promotion of scientific research and exchange of information.
4. Conducting of meetings and workshops for industrial and academic science oriented people.
5. Forums and publications structured for the purposes of assisting the populace to keep abreast of scientific developments that affect the quality of life in the state of Minnesota.
6. Support and encouragement for women and minority science students and science professionals to respectively enter into or remain in the scientific professions.
7. Endorsement of and participation in activities structured to promote the atmosphere required to encourage Minnesota college and university graduate science students to remain in Minnesota as either academic or industrial scientists.

OPERATIONS AND CLIENTELE:

The Academy currently consists of 1 office staffed by 1.0 full-time secretary with the overall administration and supervision being provided by a part-time professional director. 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.

REVENUE: None.

ACTIVITY STATISTICS:

Volunteers involved in the various programs each year number in the range of 1,600 - 1,900 people. They assist in programs that provide service for some 3,500 adult and 10,000 student participants. The Academy office staff and volunteers annually process over 20,000 pieces of correspondence directed to science teachers, science students, members, professional scientists 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.

ATTORNEY GENERAL COSTS: None.

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 professional staff person. The increase in state appropriation will help them meet that goal. Approximately one-fourth of the budget amount is derived from state support. The request for the 1990-91 biennium is in the amount of \$100,000 which is an increase of \$44,000 over the current biennium.

GOVERNOR'S RECOMMENDATION:

The Governor recommends the BASE level funding for this agency.

The Governor's recommendation does not provide for the CHANGE level increase requested. While the request has merit, other spending priorities preclude additional funding.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : ACADEMY OF SCIENCE
PROGRAM : ACADEMY OF SCIENCE
BUDGET ACTIVITY : ACADEMY OF SCIENCE

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
DETAIL BY CATEGORY:										
STATE OPERATIONS:										
SUPPLIES/MATERIALS/PARTS	1	1	1	0	1	1	1	0	1	1
STATE OPERATIONS	1	1	1	0	1	1	1	0	1	1
LOCAL ASSISTANCE	27	27	27	22	49	27	27	22	49	27
TOTAL EXPENDITURES	28	28	28	22	50	28	28	22	50	28
CHANGE REQUESTS: FUND										
B INCREASED STATE SUPPORT				22		0		22		0
TOTAL CHANGE REQUESTS				22		0		22		0
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	28	28	28	22	50	28	28	22	50	28
TOTAL FINANCING	28	28	28	22	50	28	28	22	50	28
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST 1990-91 Biennial Budget
 Agency Program Activity

ACTIVITY: MINNESOTA ACADEMY OF SCIENCE
 PROGRAM: MINNESOTA ACADEMY OF SCIENCE
 AGENCY: MINNESOTA ACADEMY OF SCIENCE

REQUEST TITLE: MINNESOTA ACADEMY OF SCIENCE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 22	-0-	\$ 22	-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 to not only improve the quality of service but expand the current program and reach additional clientele.

DESCRIPTION/BACKGROUND:

From 1977 through 1988 there was no increase in state funding. During this time period, the agency was able to survive only because the one professional staff member was able to decline potential salary raises and also serve at a reduced salary level. With a \$15,400 increase in funding for the 1988-89 biennium, the agency has been able to replace the incumbent staff person, who retired, with a part-time professional staff member. This allowed for the Academy to begin program expansion. However, to complete the goals of this expansion, the professional staff position must be upgraded to full time.

STATISTICS:

	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Volunteers involved in programs	1,750	1,750	1,900	1,900
Adults receiving program services	3,500	3,500	6,000	6,000
Students receiving program services	10,000	10,000	15,000	15,000
Pieces of correspondence processed	25,000	25,000	40,000	40,000
Issues of publications distributed	12	12	20	20

RATIONALE:

More than ever in the past, the need exists for state wide agencies outside the education system to supplement the developmental and educational requirements of science students and professional scientists. For example, in international achievement tests in science and mathematics, United States students rank near the bottom. In the latest study of 17 nations, released in March 1988, United States 14-year-olds were tied for next-to-last place.

We must regain the lead in science and technology that our nation has traditionally held. As a state, Minnesota must continue to upgrade its science education, as well as encourage young professional scientists to remain in the state.

In the state of Minnesota, the academy is one of the few agencies able to provide a broad spectrum of supplemental science programs for elementary, secondary and post-secondary students as well as professional scientists and additionally provide timely forum and publications for the residents of Minnesota. In order to continue greatly needed expansion of existing programs and implement new programs, the academy must be able to sizably increase its total budget to \$361,200 for the upcoming biennium. Approximately 61% of this budget increase would be applied directly to program expenses; 24% to salaries, 11% to overhead and 4% to incurred expense.

The academy funding level from the state of Minnesota has been less than \$30,000 per annum for the past 10 years. The desire and need to continue to expand program service and extend service to additional clientele and the general public has been impossible with the restrictive funding that has been experienced. It is also recognized that in order to meet the desired goals, there will be a need for a full time staff person in the professional capacity. With these considerations, the request for the 1990-91 biennium is for \$100,000 or approximately 28% of the academy's projected budget; to be applied proportionately toward programs, salaries/benefits, overhead and incurred expense.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
General Fund Expenditures	\$ 28	\$ 28	\$ 28	\$ 28

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund Expenditures	\$ 22	\$ 22	\$ 44

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request. Although the request has merit, other spending priorities preclude additional funding.

AGENCY PURPOSE:

The Science Museum of Minnesota (SMM) serves the state as a primary provider of science education, stimulating interest and involvement in science and technology. It is an interdisciplinary museum, blending the traditional values of a natural history museum with the hands on excitement of a science and technology center. In its natural history function, it boasts collections and scientific staff in the disciplines of paleontology, biology, anthropology, archaeology, geology, and geography. The collections are a source, 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. With its technology focus the museum has developed a hall of physical sciences and technology and unique interpretive programs that encourage visitors to explore how technology applies scientific principles and conclusions, opens up interest in careers in science and math and stimulates new questions leading to more learning. The Science Museum unfolds its research and collections into a program of exhibits that occupy 60,000 square feet in the museum complex. It has pioneered the use of interactive techniques--demonstrations, live theatre and "hands-on" experiences--in exhibit design and execution. Lastly, the museum maintains one of the finest informal science 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 Omnitheater, a technologically advanced museum theatre which provides audiences with authentic film experiences in the earth and space sciences. It is one of 30 such museum theaters in the world. Above all the museum functions as a unique and valuable education resource for citizens throughout the state.

OPERATION AND CLIENTELE:

The Science Museum is a private, nonprofit institution governed by a board of trustees and administered by a professional staff of 320 paid individuals and 300 volunteers. The museum carries on research through its scientific staff. It develops its own exhibits many of which travel nationally and which have attracted international attention. 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 provides a broad array of science 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 visitor attraction that contributes economic impact to the regional economy; through providing support and extension facilities to science education throughout 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 to state agencies, education institutions, and to the scientific community.

ACTIVITY STATISTICS:

	<u>F.Y. 1985/87</u>	<u>F.Y. 1987/89</u>	<u>F.Y. 1989/91</u>
Total Attendance	1,523,439	1,717,104*	1,600,000
Schools Participation	229,497	284,127	284,000

* Includes exceptional attendance due to summer Dinosaur exhibit.

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 and written surveys and focus groups 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 (who average 3-4 visits/year) and school groups is also used as a measure of effectiveness. Exhibits and films produced by the Science Museum are sought by 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.

SELECTED ACCOMPLISHMENTS:

1. A membership of nearly 27,000 households, representing 122,000 men, women and children, the largest membership of any single science and technology museum in the United States, outside of the Smithsonian Institution

2. The Omnimax film "Seasons", filmed largely in Minnesota premiered and played to hundreds of thousands of Minnesotans. It has already been leased to nearly half of the existing museum theaters worldwide.
3. Science Museum/traveling exhibits toured institutions in 24 different cities in the United States and Canada. One of them, "Wolves and Humans," has surpassed 1.4 million visitors during its tour. The Science Museum is part of a science museum consortium through which Minnesotans are provided with timely and important science exhibits developed by major institutions across the country.
4. A continuing private-public partnership yielded \$17.2 million in annual general operating income for the biennium, 63% of it earned, 18% from public support, and 19% from private contributions. In return, the Science Museum generated an economic impact of an estimated \$84 million in the state and regional community through direct, indirect, and audience spending.
5. The museum has become a primary destination for schools from all over the state. It also provides a strong outreach program, bringing the museum out to schools who cannot visit. About 138,000 students and teachers benefited from participation in museum-based science education programs last year alone.
6. 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 also attend in large numbers.
7. 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 materials to more than 50 different cultural centers and educational institutions throughout Minnesota. Scholars from over 30 research institutions around the world utilized the Science Museum's extensive 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 educational, preservation and interpretive services. It does this with significantly less state support, while its attendance exceeds the other two. It fulfills its mission and supports itself 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 all basic maintenance and energy costs. The Science Museum requests the state to maintain its commitment to partial funding of core programs at this institution because of its growing statewide importance and use, and because of the increased services now being provided 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 desirability as a place to live, and the unique characteristics of its land, people, and resources. An appropriation to this educational and 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.

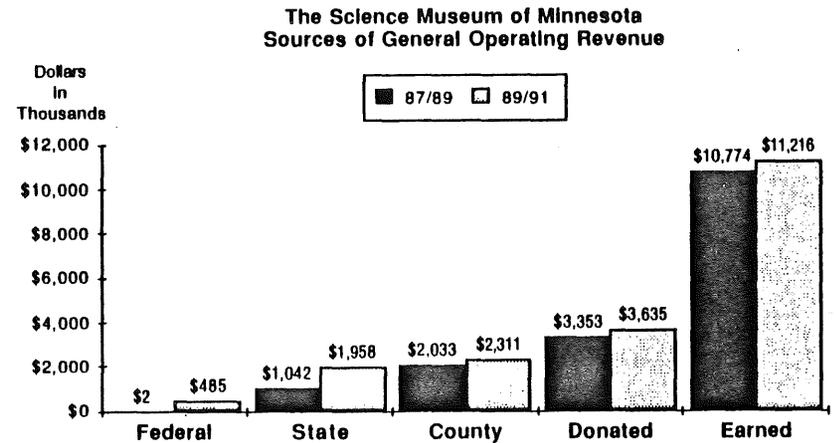
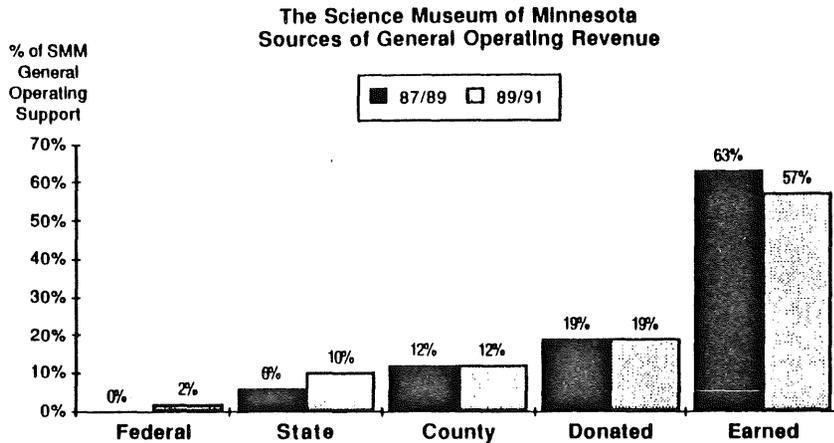
HOW STATE FUNDING IS USED:

State funding is used to provide partial support for SMM's core program's in the areas of science, exhibits and design, and education and interpretive programs. These core programs represent the quality and creativity which Minnesotans have come to expect from their museum, and which has made SMM one of the premier science and technology centers in the nation. Ensuring such support is a top priority for the museum and state assistance is crucial.

EXPLANATION OF BUDGET REQUEST:

	<u>F.Y. 1987-89</u>	<u>F.Y. 1989-91</u>
Total SMM Operating Budget	17,204	19,606
General Fund Request	1,042	1,958
General Fund % of Total	6.0%	10.0%

1. BASE Level support: continuing partial support of the core programs of the SMM including scientific, education, and exhibits activity. 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:
 - a) an increase in BASE level support is requested to bring state funding of core museum programs from 6% to 10% of the museum's total operating budget. As other income sources are being stretched to the maximum and price increases will reduce public accessibility, increased state support is necessary to maintain quality and innovation and ensure access to museum programs for all Minnesotans.
 - b) LCMR funded special projects are included as change requests totaling \$510,000; \$205,000 is for a designated Science Museum project. The remainder is for other agency programs to be administered by SMM as requested by LCMR.



(Dollars in Thousands)

INDEX	Agency Request	Governor's	Page
	1990-91 Biennium	Recommendation	
	All Funds	All Funds	
BASE Level Request	\$ 1,042	\$ 1,042	
Budget Activity CHANGE Requests			
Strengthening Science Education	916	134	5
LCMR-Water Education for Minnesota	300*	300	7
LCMR-Central Minnesota Water Quality Project	150*	150	8
LCMR-Aquatic Invertebrate Education and Data Base	60*	60	9
CHANGE Requests Subtotal	\$ 1,426	\$ 644	
AGENCY Total	\$ 2,468	\$ 1,686	

* LCMR has requested that these projects be administered by SMM and so are consolidated under SMM's change request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : SCIENCE MUSEUM OF MN
PROGRAM : SCIENCE MUSEUM OF MINN
BUDGET ACTIVITY : SCIENCE MUSEUM OF MINN

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	555	591	521	754	1,275	903	521	672	1,193	783
TOTAL EXPENDITURES	555	591	521	754	1,275	903	521	672	1,193	783
CHANGE REQUESTS:	FUND									
B STRENGTHENING SCIENCE EDUCATION				439		67		477		67
B LCMR WATER ED FOR MN-TODAY/TOMORRON				205		205		95		95
B LCMR CENTRAL MN WATER QUALITY PROJECT				75		75		75		75
B LCMR AQUATIC INVERT. EDUC & DATABASE				35		35		25		25
TOTAL CHANGE REQUESTS				754		382		672		262
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	515	521	521	439	960	588	521	477	998	588
MN RESOURCES	40	70	0	315	315	315	0	195	195	195
TOTAL FINANCING	555	591	521	754	1,275	903	521	672	1,193	783
POSITIONS BY FUND:										
TOTAL POSITIONS										

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA
 PROGRAM: SCIENCE MUSEUM OF MINNESOTA
 AGENCY: SCIENCE MUSEUM OF MINNESOTA

REQUEST TITLE: STRENGTHENING SCIENCE EDUCATION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 439	-0-	\$ 477	-0-
Governor's Recommendation				
General Fund	\$ 67	-0-	\$ 67	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Science Museum is requesting an increase of \$916,000 in state support, which would represent an increase from 6% to 10% of the museum's total operating budget. The purpose of this request is to create a more balanced public/private partnership so that the Science Museum can: a) provide more affordable and accessible science-education programming to lower-income Minnesotans and disadvantaged school districts throughout the state; and b) increase significantly its science education opportunities for an overall audience that will reach 950,000 people by F.Y. 1991.

DESCRIPTION/BACKGROUND:

In the past, the state has generously provided partial support for the museum's core programs. Of the museum's total budget, however, 63% is generated through earned income, 19% comes from the private sector in the form of contributions, 12% comes from Ramsey County for building operations and maintenance, and 6% now comes from the state. The Science Museum's level of earned income (63%) is nearly twenty points higher than the national average for science museums, reflecting the museum's success in attracting families and schools to its quality films and exhibits. Overall attendance at the museum has grown rapidly in the last few years from 713,000 people in F.Y. 1986 to 875,000 people in F.Y. 1988.

Despite its popularity and the continuing demand for its programs, the Science Museum is still not affordable for most lower-income families and youth, and many outstate schools still cannot afford to take advantage of either the museum's outreach programs or pay even the reduced school admission rates. Because the museum is dependent on earned income to cover basic services, it cannot divert funds to offer extensive discounts or free programs to the hard-to-reach without sacrificing the quality of its core programs. Therefore, the Science Museum is requesting that the state increase its support of the core programs to 10% of museum's annual operating budget so that it can expand its audience and increase its accessibility,

while maintaining the highest standards of science programming for all Minnesotans. Four specific program initiatives are proposed under this change request:

1. Voucher Program. Will make available to low-income Minnesotans free admission vouchers to be distributed through the appropriate welfare agencies, community organizations, park recreation centers, and any organizations statewide that work with or represent the poor. A projected 30,000 low-income visitors can be reached through this initiative during the next biennium. Many of these new visitors will be minorities.
2. School Scholarships. Will offer reduced-rate or free outreach science programs (assemblies, residencies, visiting scientists, etc.) to those schools that cannot otherwise afford such museum services. Preliminary estimates of the number of additional students that could be reached through this initiative are 90,000 for the biennium. Most of these students will be outstate, rural Minnesotans.
3. "Free-in-the-Fall" Program. Will make the Science Museum free to all schools in the fall during a designated period between September and November, with a limit of 1,500 students per day. The goal of this bold initiative is to make the museum more affordable for low-income schools as well as reduce the overcrowding in the spring, when school attendance can reach 2,500 per day. As part of this program, all teachers and adult chaperones will be admitted free anytime, so that teachers in particular can be encouraged to plan more effective and educational field trips. A projected 80,000 "Free-in-the-Fall" school visitors would mean an increase of 50,000 students over the average fall attendance for the biennium.
4. Expanded Science Education/Science Careers Program. Will include bringing six of the best, most innovative, national science exhibits to the museum during the biennium, accompanied by expanded science theater on famous scientists and discoveries, new demonstrations and hands-on experiments, as well as in-service workshops for teachers and other educators. A new Junior Scientist program will match talented and interest young people with working scientists now being recruited under a pilot project with the American Association for the Advancement of Science (AAAS). The Saturday science enrichment classes and the summer science classes for young people would also be expanded in order to make the Science Museum a leading force for a science enrichment throughout the state. This initiative will result in a projected 200,000 additional visitors during F.Y. 1989-1991.

<u>STATISTICS:</u>	<u>1985-1987</u>	<u>1987-1989</u>	<u>1989-1991</u>
General Attendance-BASE	1,523,439	1,717,104	1,600,000
-w/CHANGE			1,970,000
<u>Schools Attendance (broken out of General Attendance)-BASE</u>	229,497	284,127	284,000
-w/CHANGE			424,000

RATIONALE:

Just as the state supports the Minnesota Zoo and the Minnesota Historical Society as keepers of animals and history, the state should increase its support to its only Science Museum. The Science Museum has few alternatives to raise such critical operating dollars for a rapidly expanding audience. Revenue sources from earned income are at an all-time high, but the state

CHANGE REQUEST 1990-91 Biennial Budget

Agency _____ Program _____ X Activity
 (Continuation)

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA
 PROGRAM: SCIENCE MUSEUM OF MINNESOTA
 AGENCY: SCIENCE MUSEUM OF MINNESOTA

increases in the fee structure would only exclude more lower-income Minnesotans and disadvantaged schools. The private sector, which already contributes 19% to the museum's annual operating budget, is being asked to support a 15 million dollar capital campaign over the next few years, so that the museum can expand its exhibits program, produce new Omni films, and created a much-needed endowment. Thus, an increase from 6% to 10% in state operating support would not only increase the museum's statewide accessibility, such a demonstration of state support would also help leverage capital dollars from the private sector.

BASE:	<u>(Dollars in Thousands)</u>			
	<u>F.Y. 1988</u>	<u>F.Y. 1989</u>	<u>F.Y. 1990</u>	<u>F.Y. 1991</u>
General Fund Expenditures	\$ 515	\$ 521	\$ 521	\$ 521

LONG RANGE IMPLICATIONS:	<u>(Dollars in Thousands)</u>		
	<u>F.Y. 1992</u>	<u>F.Y. 1993</u>	<u>Total</u>
General Fund Expenditures	\$ 477	\$ 477	\$ 954

GOVERNOR'S RECOMMENDATION:

The Governor recommends a biennial increase of \$134,000 to maintain the level of state support at 6% of the Museum's total operating budget.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA
 PROGRAM: SCIENCE MUSEUM OF MINNESOTA
 AGENCY: SCIENCE MUSEUM OF MINNESOTA

REQUEST TITLE: LCMR-WATER EDUCATION FOR MINNESOTA - TODAY AND TOMORROW

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Minnesota Resources	\$ 205	-0-	\$ 95	-0-
Governor's Recommendation				
Minnesota Resources	\$ 205	-0-	\$ 95	-0-
Request requires statutory change: _____ Yes <u> X </u> No				
Statutes Affected: _____				

STATEMENT OF REQUEST/OBJECTIVE:

The Science Museum, in cooperation with the Freshwater Foundation, requests funds for a cooperative program to educate Minnesotans of all ages and backgrounds about the crucial issues of water use and quality.

DESCRIPTION/BACKGROUND:

Minnesota has serious water resource problems, yet no coordinated, comprehensive, state-wide program exists to educate Minnesotans about water issues. This program seeks to provide such a state-wide, popular water education initiative by integrating the interpretive talents and large audiences of the Science Museum with the water resources knowledge and program expertise of the Freshwater Foundation. The specific objectives of the program include the following:

1. Develop hands-on demonstrations, e.g., how ground water moves, how lakes become acidic, how to measure water quality, for presentation at the Museum and through the Museum's statewide outreach program.
2. Create theater pieces for children, featuring a character called "H2O," to be performed statewide by the Museum's Science Theater staff.
3. Initiate a visiting scientist program that brings scientists from various agencies to the Museum and the schools to explain their water research projects.
4. Establish a water studies program at the Museum's St. Croix Field Station that will offer teachers, more advanced students, and the public the opportunity to study water issues first hand under the guidance of experts from the Museum, DNR, National Park Service, U.S. Forest Service, U of M, and other organizations.
5. Organize seminars to work with teachers and administrators to identify

and analyze barriers to a broader, more effective integration of water education into the schools curricula.

6. Conduct follow-up small group work sessions to determine curricula and training needs.
7. Work with all water-related organizations to select and distribute demonstration kits and educational packets for schools, nature centers, and other educational agencies concerned with Minnesota water.
8. Measure to what degree these programs have changed the participants' knowledge and attitudes toward water-related issues.

RATIONALE:

The ability of Minnesotans to understand the social, economic, political, and environmental implications of water issues is vital to determining the quality of life in the state into the 21st century. This collaborative water education program between the Science Museum and the Freshwater Foundation will:

- provide cost-effective, entertaining, yet informative programs for over 1,000,000 Minnesotans, including 200,000 students and teachers over the next biennium;
- provide a clearinghouse for educators and policymakers who request assistance in the interpretation of complex water issues for their own constituencies; and
- provide state agencies a neutral forum with high visibility through which to explain research projects and disseminate their own educational materials to the general public.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the Legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST 1990-91 Biennial Budget
 Agency _____ Program _____ X Activity

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA
 PROGRAM: SCIENCE MUSEUM OF MINNESOTA
 AGENCY: SCIENCE MUSEUM OF MINNESOTA

REQUEST TITLE: LCMR-CENTRAL MINNESOTA WATER QUALITY PROJECT

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Minnesota Resources	\$ 75	-0-	\$ 75	-0-
Governor's Recommendation				
Minnesota Resources	\$ 75	-0-	\$ 75	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The Central Minnesota Water Quality Project requests funding through the Science Museum of Minnesota to continue its environmental education, information, and planning assistance on water quality topics to the 14 central Minnesota counties of: Cass, Pine, Benton, Isanti, Chisago, Wadena, Crow Wing, Mille Lacs, Kanabec, Sherburne, Stearns, Morrison, Todd, and Wright.

DESCRIPTION/BACKGROUND:

Initially funded in 1987 by a grant from the McKnight foundation, this program is assisted by an existing resource committee representing the following regional agencies: DNR, PCA, MEEB, County Extension, Soil and Water Conservation, Planning and Zoning, Mississippi Headwaters Board, MCH. For the next biennium, the program objectives include:

1. To provide an annual Regional Environmental Conference for Central Minnesota.
2. To provide an environmental workshop/seminar in 2 sub-regions (Cambridge and St. Cloud) that will allow greater access and availability to local farmers.
3. To provide information and a network to disseminate information and distribute educational literature.
4. To assist with regional environmental planning and development efforts.
5. To monitor and evaluate environmental needs for central Minnesota to avoid duplication and provide data.
6. To produce 2 water quality videos for statewide use.

The 2 annual conferences will provide information on education, research

data, development, planning, and preservation of water (ground and surface) as well as more specific attention to take management, including recreation, fishing, and wildlife. Lake shore owners will also be targeted for an educational program.

RATIONALE:

Such a coordinated, comprehensive, regional approach to water quality education in central Minnesota will result in a more informed public, willing to change its behavior toward more environmentally sound water use and planning. A multitude of indirect benefits are also intended, such as improved humans and livestock health by preventing the contamination of surface and ground water, increased land values, reduced clean-up costs, improved well construction, and increased community involvement. A regional approach to water quality education will also be more cost efficient and effective in providing these essential services.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the Legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

CHANGE REQUEST _____ Agency _____ Program X Activity 1990-91 Biennial Budget

ACTIVITY: SCIENCE MUSEUM OF MINNESOTA
 PROGRAM: SCIENCE MUSEUM OF MINNESOTA
 AGENCY: SCIENCE MUSEUM OF MINNESOTA

REQUEST TITLE: LCMR-AQUATIC INVERTEBRATE EDUCATION AND DATA BASE

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
Minnesota Resources	\$ 35	-0-	\$ 25	-0-
Governor's Recommendation				
Minnesota Resources	\$ 35	-0-	\$ 25	-0-

Request requires statutory change: _____ Yes X No
 Statutes Affected:

STATEMENT OF REQUEST/OBJECTIVE:

The purpose of this project is to develop a central database on our aquatic invertebrates that are sensitive indicators of surface water quality, and that are invading exotic species. Education will be provided to staff of nature centers, park reserves, and others, so that they can participate in establishing the historical database and monitor any changes to relevant populations.

DESCRIPTION/BACKGROUND:

There is at present no central database on Minnesota aquatic invertebrates, and there is a real need for one, both as a basis for research and as a means to monitor surface water quality. Invading exotic species to document and monitor include the destructive rusty crayfish, the disease-bearing tiger mosquito, the Asian clam, and the new plankton predator in Lake Superior. The program has the following objectives:

1. Provide education to the staff of nature centers, park reserves, state parks, etc., concerning; the types of invertebrates that are important as sensitive water-quality indicators; ways to assess the invertebrate resources; ways to instruct the public with programs, participatory activities, and displays; on how to start a "history" of invertebrate resources; on the use of software for creating the database; and on the environmental and economic issues related to aquatic invertebrates.
2. Develop a central database system on Minnesota's key aquatic invertebrate resources to include: a compilation of water quality indicator species and what they will tolerate; a compilation of previous information on and records of selected important invertebrate groups; accession of information now being gathered by various agencies and researchers working in Minnesota; a "hot line" file to track the progress of top priority water quality indicator species and exotic invaders; a list of experts and resource people; and, a system for communicating the database to those who need the information.

RATIONALE:

The developing database will be of direct benefit to the agencies, researchers, and educators who have a real need for information on the invertebrate resources of Minnesota. The public will benefit from the education offered through the parks and nature centers. The long-term benefits of the central database will be the documentation of major quality changes, such as acidification and other pollution, as well as improvements, as reflected in the sensitive aquatic invertebrate species.

GOVERNOR'S RECOMMENDATION:

The Governor recognizes the authority of the Minnesota Future Resources Commission (MFRC, formerly the LCMR) to make budget recommendations directly to the Legislature. While the Governor's budget reflects these recommendations in various agency proposals, the MFRC will present an entire package to the State Departments Division for legislative action.

AGENCY: MINNESOTA SAFETY COUNCIL
(Continuation)

1990-91 Biennial Budget

ACTIVITY STATISTICS:	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
1) MN Accident death rate (per 100,000 population) (Estimate: 1984 death rate was 35.9; national comparison--38.3)	34.9	34.9	34.9	34.9
2) Licensed drivers trained	19,059	20,950	23,045	25,350
3) Occupational training courses	99	108	118	130
No. of employees trained	4,638	5,102	5,612	6,173
No. of courses Greater Minnesota	24	29	34	39
No. of calls/month on toll-free line	115	126	139	153
4) No. of free-loan child safety restraints distributed to low- income families.	200	220	242	266
5) No. of local volunteer safety	25	28	32	36
6) No. of audio/visuals in library by title	291	320	352	388
No. of users (average use reaches 35 pp)	1,500	1,650	1,815	1,997
7) No. reached through public education:	2-1/2 million estimated each year			
8) No. of conference attendees	1,300	1,430	1,573	1,730
9) No. of award program entries	1,200	1,250	1,300	1,350

BUDGET ISSUES

The Minnesota Safety Council currently receives \$50,700 per year by Legislative allocation. Since the initial statutory grant of \$40,000 in 1967, succeeding sessions of the Legislature have gradually increased the grant to \$50,700. The state allocation has been used for general operations and for new-program development. During this time, MSC has significantly increased its gross budget, from \$75,000 in 1967 to over \$1 million in 1988. MSC matches each state dollar with almost \$4 in contributions from the private sector. Current funding sources: corporate contributions-15%; training-40%; state appropriation-4%; grants for special projects-22%; other earned income-19%.

MSC has expanded its services to the public and private sectors. MSC sets low fees for occupational training and services; this provides additional funds for free public service activities. The state appropriation also helps MSC to provide service to Greater Minnesota by conducting training programs in communities around the state and by maintaining a toll-free telephone access to staff's technical expertise. Further, the state appropriation helps MSC provide consultative and other services to schools, state and local governments. As a result, state departments have directly received increased benefits at a decreasing rate of participation in financing the safety council's activities.

In 1987, MSC was forced to move its headquarters when the building in which it had office space at a low rate was razed to make way for freeway construction. Through a lengthy process reviewed by an outside independent accountant's Board of Directors determined it would be as economical to build a

small training facility as to rent comparable space at commercial rates. Although economical compared with commercial rental rates, the move resulted in facilities costs nearly 4 times as high as those the safety council had incurred in its former quarters.

Even with the assistance of the state allocation, MSC projects a deficit for a 3 year period, to be funded by drawing reserves to a zero balance. During that time, MSC will develop activities which will allow it to operate at a break-even point by 1991 without cutting programs and services. The safety council is not seeking increased assistance from the State of Minnesota for operations. Continuation of the state allocation, however, is critical to its continued operation on a BASE level basis.

In the area program development, national studies have shown a lack of coordinated effort to reduce childhood accidental injuries and death. The Minnesota Safety Council heads a state coalition to address childhood trauma. MSC is seeking private-sector funds to support program development in this area. A CHANGE request asks legislative support to fund a portion of a staff position for a specified period of time during the development phase of this new service area.

EXPLANATION OF BUDGET REQUEST:

Request is for BASE level funding for operations with a change request to provide assistance in development of a new program aimed at reduction of childhood accidental injuries and deaths.

The CHANGE request asks for \$20,000 per year for a 5 year period to begin work at the state level on the National Safety Kids campaign, a program to reduce childhood accidental injury and death. MSC will raise funds from the private sector to support program development and implementation during that period and will aim at absorbing the program into its general operating budget at the end of the 5 year period.

INDEX	(Dollars in Thousands)		Page
	Agency Request 1990-91 Biennial All Funds	Governor's Recommendation 1990-91 Biennial All Funds	
BASE Level Request	\$ 102	\$ 102	
Agency-wide CHANGE Requests	40	-0-	4
AGENCY Total	\$ 142	\$ 102	

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for the change level request. Although the request has merit, other spending priorities preclude additional funding.

AGENCY PURPOSE:

The Minnesota Safety Council (MSC) is a public education organization providing formal education and training, consultation and public information to prevent or reduce the personal and economic loss associated with injuries, accidents and environmental health hazards occurring throughout the State of Minnesota.

OPERATIONS AND CLIENTELE:

MSC works with a strong staff and volunteers, with involvement from private and public sectors. Accidents are Minnesota's leading cause of death from age 1 to 44 years. State 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 both the public and private sectors control costs through reduction of accidents and environmental health hazards. MSC's work helps individuals reduce personal and economic loss from accidental injuries and deaths.

MSC serves all Minnesotans. Last year, MSC trained over 16,000 licensed drivers in accident avoidance techniques and has received national recognition for training excellence. The safety council teaches behavior modification courses for DWI and non-alcohol related traffic violators, concentrating on self-assessment tools to assist violators to identify and change destructive behavior patterns. MSC provides a free alcohol/driving program to high schools and worked with a major rehabilitation organization to conduct a public information campaign to discourage teen drinking and driving. MSC conducts public education activities to increase use of auto child safety restraints and adult safety belts and runs a free-loan child safety seat program aimed at minority and low-income families, using restraints contributed by the private sector. MSC works with volunteer safety organizations throughout the state to provide traffic safety education to communities.

MSC trains employees through employers, labor unions, trade associations, civic and community groups, providing private and public sectors with training programs, free telephone consultation with on-staff technical experts, on-site consultation, assistance in developing employee safety policies and programs. MSC provides services to Greater Minnesota, and conducts employee training around the state. A Toll-free telephone number gives access to technical expertise to employers and employees. MSC works with state government to help employers comply with regulations. MSC was the first Minnesota agency to provide compliance training on Occupational Safety and Health Act and Employee Right-to-Know standards. MSC conducted the first state training to assist employers to develop and communicate employee policies on AIDS and the first state training to help employers understand Minnesota's drug testing laws. The safety council administers the Governor's Safety Awards program to provide recognition for outstanding work in reducing employee accidental death and injury.

MSC works with schools to conduct school bus driver training, works with school safety patrols and school bus safety programs, and provides training to school maintenance personnel on dealing with asbestos. Its audio-visual library is available for use by schools without charge. MSC conducts the

Minnesota Youth Safety conferences with sessions aimed at young people and an awards program to recognize their work in accident prevention.

MSC is committed to assisting mature adults to remain mobile and in independent living situations through accident prevention activities. Senior citizens participate in MSC driver training programs to qualify for auto insurance discounts. MSC has home safety programs for senior citizens to help them identify and reduce risk where they live, and has begun a major study of the causes of falls to senior citizens to strengthen those programs. As Minnesota's population ages, these programs become more critical.

MSC provides services to state agencies, assisting in development and implementation of training programs. State agencies use MSC's audio-visual library without charge. Agency employee safety committees use our facility without charge to conduct safety planning meetings and employee training. MSC technical staff is used by state agencies for consultation without charge or at MSC member fees. MSC also conducts a state department safety awards program to recognize outstanding efforts in employee accident prevention work.

MSC conducts programs on first aid, cardio-pulmonary resuscitation, occupational safety and health, public and recreational, and agricultural safety. We provide special services to schools and civic organizations and serve as trainer and consultant to 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 Defensive Driving Course, Driver Improvement and DWI clinics.
- 3) Develop and conduct training to assist private sector (emphasis on small business and business in Greater Minnesota) and government units to meet safety and health needs, and to comply with occupational safety and health laws.
- 4) Expand availability of child safety restraints to low income and minority families.
- 5) Develop and support local volunteer safety organizations, and strengthen those in existence, to provide public education activities at grass-roots level.
- 6) Expand audio-visual training library and its availability to small business, local government units and schools.
- 7) Develop and conduct public education campaigns on driving skills, falls prevention, childhood accidents, special considerations of mature drivers.
- 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.
- 11) Develop and implement public information program for Minnesota Safe Kids, tying into national program activities.

CHANGE REQUEST _____ Agency X Program _____ Activity 1990-91 Biennial Budget

ACTIVITY: CHILDHOOD ACCIDENTAL INJURY & DEATH REDUCTION
 PROGRAM: CHILDHOOD ACCIDENTAL INJURY & DEATH REDUCTION
 AGENCY: MINNESOTA SAFETY COUNCIL, INC.

REQUEST TITLE: MINNESOTA SAFE KIDS COALITION

Agency Request	F.Y. 1990		F.Y. 1991	
	(000's) Amount	Positions	(000's) Amount	Positions
General Fund	\$ 20	-0-	\$ 20	-0-
Governor's Recommendation				
General Fund	\$ -0-	-0-	\$ -0-	-0-

Request requires statutory change: _____ Yes X No

STATEMENT OF REQUEST/OBJECTIVE:

The Minnesota Safety Council requests these funds to develop new and coordinate existing activities on a statewide basis to reduce childhood (birth to age 14) accidental deaths and injuries.

DESCRIPTION/BACKGROUND:

More children die from preventable injuries than from all childhood diseases combined. Almost half the fatalities are motor vehicle-related. Each year, 1 child in 4 suffers an injury serious enough to require medical attention.

Accidents are the leading health risk to children, yet a survey of parents commissioned by the Children's Hospital National Medical Center showed that parents do not understand the severity of the threat to their children posed by preventable injuries. Parents perceive their children to be more at risk from kidnapping, abuse, drug use and disease than from accidents and, thus, are less motivated to address accident prevention than prevention in those areas.

The survey indicated a need for more knowledge of injuries as a significant risk to children, but it also showed that parents want more information on how to protect children from accidents. More than 2/3 of those surveyed believe that most child accidents can be prevented by families, and 70% expressed interest in receiving accident prevention instruction.

RATIONALE:

A National Safe Kids coalition has been formed with funding from Johnson & Johnson (\$4.5 million) to address reduction of childhood accidental death and injury over a 5 year period. The role of the national coalition is to assist in development of state coalitions, to provide national media programs and to research national public policy issues. No national coalition funding will be distributed to state coalitions.

The Minnesota Safety Council is the lead org. Kids Coalition. Other coalition members include Department of Public Safety and Department of Health, agencies, Red Cross chapters, Boy Scouts, Girl Scouts, and other youth organizations, AAA, Bureau of Indian Affairs, duct Safety Commission, American Society of Safety Engineers and private agencies.

The Minnesota coalition is responsible for developing and implementing programs in our state during the 5 years of the national program, including statistical research to determine the scope of childhood accidental injuries occurring in Minnesota and public information directed at parents and children on accident avoidance. (While mortality data is readily available, little data on morbidity is available in Minnesota or nationally. Many childhood accidents serious enough to receive medical attention through a physician or a clinic, but not through a hospital are not reported to official agencies; thus a clear picture is not available of the extent of injuries to Minnesota children.)

MSC will seek private grant support to fund development and implementation of Minnesota Safe Kids activities for the 5 years of the project. MSC's goal is to integrate the Safe Kids program into its operations budget at the end of that period. MSC seeks State funds as seed money to support a portion of a staff member to coordinate development of the program through the Minnesota Safe Kids coalition. This person will coordinate volunteer activities of the coalition, work with the coalition to develop a long-range plan for programming over the 5 year period of the national emphasis, implement plans on a statewide basis, provide ongoing evaluation of program efforts and develop a plan to absorb the program into the operations budget of the Minnesota Safety Council at the end of the 5 year period.

BASE:	(Dollars in Thousands)			
	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
Trunk Highway Fund	\$ -0-	\$ -0-	\$ -0-	\$ -0-

LONG RANGE IMPLICATIONS:	(Dollars in Thousands)		
	F.Y. 1992	F.Y. 1993	Total
General Fund	\$ 20	\$ 20	\$ 40

GOVERNOR'S RECOMMENDATION:

The Governor's recommendation does not provide funding for this request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : SAFETY COUNCIL
PROGRAM : MINN SAFETY COUNCIL
BUDGET ACTIVITY : MINN SAFETY COUNCIL

EXPENDITURES:	F.Y. 1990						F.Y. 1991				
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.	
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL		
LOCAL ASSISTANCE	51	51	51	20	71	51	51	20	71	51	
TOTAL EXPENDITURES	51	51	51	20	71	51	51	20	71	51	
CHANGE REQUESTS:	FUND										
B SAFE KIDS	GEN										
TOTAL CHANGE REQUESTS				20		0		20		0	
SOURCES OF FINANCING:	-----										
DIRECT APPROPRIATIONS:	-----										
GENERAL	0	0	0	20	20	0	0	20	20	0	
TRUNK HIGHWAY	51	51	51	0	51	51	51	0	51	51	
TOTAL FINANCING	51	51	51	20	71	51	51	20	71	51	
POSITIONS BY FUND:	-----										
TOTAL POSITIONS	-----										

AGENCY: MILITARY ORDER OF THE PURPLE HEART, U.S.A. 1990-91 Biennial Budget

AGENCY PURPOSE:

The Military Order of the Purple Heart (MOPH) Claims and Service Office serves as an attorney-in-fact for veterans, their dependents, widows and orphans in securing funds and services to which they are entitled. The order also seeks to increase awareness among the more than 400,000 veterans in Minnesota of the services available through the MOPH Claims and Service Office at Fort Snelling.

OPERATION AND CLIENTELE:

The office at Fort Snelling Veterans Administration Center has 2.0 employees; 1 being an accredited claims representative and the other a secretary. The MOPH also has unpaid volunteer representatives at the St. Cloud Veterans Administration Medical Center. These representatives assist veterans and dependents in preparation of the required documentation and information necessary for securing benefits. The employee at the Fort Snelling office provides representation in appeal procedures when claims are initially denied by federal agencies. The MOPH also provides personnel for appeals at the Veterans Administration central office in Washington D.C. The clientele do not have to be members of the organization and it can be any veteran, dependent or orphan.

The MOPH has power of attorney for 258 veterans and dependents, has reviewed 1,778 files; 228 non power-of-attorneys; 467 interviews; made 883 rating board appearances and filed 238 new claims. The monthly monetary benefits received for veterans and dependents amounted to \$92,195 and for the period of 9-1-87 through 6-30-88, the benefits received amounted to \$2,087,180.

EXPLANATION OF BUDGET REQUEST:

The state annual appropriation of \$10,000 will be used to supplement a portion of the budget for salaries of \$27,600 a year. These salaries paid by the MOPH are not comparable to those that are paid to employees on the state and federal levels for those that do the same type of work.

GOVERNOR'S RECOMMENDATION:

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : PURPLE HEART, MIL OR
PROGRAM : MIL. ORDER PURPLE HEART
BUDGET ACTIVITY : MIL. ORDER PURPLE HEART

EXPENDITURES:	FY 1988	FY 1989	F.Y. 1990				F.Y. 1991			
			AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	0	10	10	0	10	10	10	0	10	10
TOTAL EXPENDITURES	0	10	10	0	10	10	10	0	10	10
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	0	10	10	0	10	10	10	0	10	10
TOTAL FINANCING	0	10	10	0	10	10	10	0	10	10
POSITIONS BY FUND:										
TOTAL POSITIONS										

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 88,048 veterans and dependents. The value of benefits received by veterans and dependents through VFW representation has been:

(Dollars in Thousands)				
F.Y. 1987	F.Y. 1988	F.Y. 1989	F.Y. 1990	F.Y. 1991
\$ 19,000	\$ 19,500	\$ 20,000	\$ 20,500	\$ 21,000

EXPLANATION OF BUDGET REQUEST:

The state appropriation of \$31,000 will be used to supplement a portion of the Budget for salaries of \$123,000 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 BASE level of funding for the 1989-1991 biennium.

GOVERNOR'S RECOMMENDATIONS

The Governor concurs with the agency's request.

1990-91 BIENNIAL BUDGET
(DOLLARS IN THOUSANDS)

AGENCY : VETERANS OF FORGN WAR
PROGRAM : VETS OF FOREIGN WARS
BUDGET ACTIVITY : VETS OF FOREIGN WARS

EXPENDITURES:			F.Y. 1990				F.Y. 1991			
	FY 1988	FY 1989	AGENCY REQUEST			GOVERNOR'S RECOMM.	AGENCY REQUEST			GOVERNOR'S RECOMM.
			BASE	CHANGE	TOTAL		BASE	CHANGE	TOTAL	
LOCAL ASSISTANCE	30	30	31	0	31	31	31	0	31	31
TOTAL EXPENDITURES	30	30	31	0	31	31	31	0	31	31
SOURCES OF FINANCING:										
DIRECT APPROPRIATIONS:										
GENERAL	30	30	31	0	31	31	31	0	31	31
TOTAL FINANCING	30	30	31	0	31	31	31	0	31	31
POSITIONS BY FUND:										
TOTAL POSITIONS										

HJ 11 .M6425a 1990/91 Trans.
Minnesota. Office of the
Governor.
Proposed biennial budget

LEGISLATIVE REFERENCE LIBRARY
645 State Office Building
Saint Paul, Minnesota 55155

DEMCO