

FISCAL REVIEW 1981-1984

MINNESOTA SENATE



Senate Counsel & Research

ROOM 123, CAPITOL
ST. PAUL, 55155

JOHN E. POST, DIRECTOR
(612) 296-0539

Senate

State of Minnesota

September 10, 1984

COUNSEL (612) 296-2511

PETER S. WATSON
JO ANNE ZOFF BELLNER
DANIEL P. MC GOWAN
KATHLEEN E. PONTIUS
DA: E. L. MC DONNELL
ALLISON WOLF
ELIZABETH V. RICE
JULIE A. BECK
BRAD B. ERVIN
BEVERLY CADOTT OWEN
MICHAEL SCANDRETT
MARK J. HANSON

RESEARCHERS (612) 296-7678

WILLIAM RIEMERMAN
JOYCE E. KRUPPEY
FRANK FLY
DAVID GIEL
ANNE C. KNAPP
GREGORY C. KNOPFF
LAURA J. MILLER
JACK PAULSON
DOWIGHT A. SMITH
SEAN STEVENSON
JOEL A. BUTTER

This is a review of the fiscal impact of legislative actions of the regular sessions of 1981 through 1984, as well as the three special sessions in 1981 and 1982, respectively.

It is in the tradition of Fiscal Reviews issued by the Senate between 1975 and 1980 in reporting how the revenue was raised and how the money was spent.

This is the first Fiscal Review issued since 1980, but the intent of the Senate is to publish the Review annually in the future.

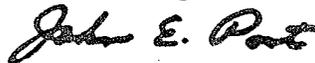
Data for the book was compiled by Senate Research staff and checked through numerous sources. Appropriations data was compiled by staffer Dwight Smith and tax data by Sean Stevenson, Jack Paulson, and Bill Riemerman. Data was confirmed with the Departments of Finance and Revenue and at times with other departments.

Narratives were written by appropriate Senate Research staff. Narratives and fiscal data were edited by Bill Riemerman.

Comparison and analysis of the fiscal data should be approached with caution because appropriations and revenues for the 1981-1983 biennium include a number of fiscally significant collection speed-ups and payment shifts. As a result, year-to-year comparisons can be misleading. These speed-ups and shifts are discussed in the narratives. Senate Counsel and Research staff is available to answer questions about this data.

You are on the distribution list for the Fiscal Review. Copies have also been distributed to a number of public libraries. Requests for extra copies and requests for additions to the mailing list should be sent to the office of Senate Counsel and Research, Room 123 Capitol, St. Paul, Minnesota, 55155.

Sincerely,



John E. Post, Director
Senate Counsel and Research

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**A
FISCAL REVIEW
of the
1981-1984 LEGISLATIVE SESSIONS**

Prepared by: Staff of Senate Counsel and Research
Edited by William Riemerman



Minnesota Senate
Senate Counsel and Research

John E. Post, Director

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Foreword

Fiscal Review 1981-1984 updates a series of reports for the Minnesota Senate on state spending that was begun in 1975. This report provides extensive financial information on four regular sessions and six special sessions of the Minnesota Legislature.

This report provides a broad accounting of actions of the Minnesota Legislature which have a substantial fiscal impact. Major programs funded by the Legislature are explained. Programs are grouped by major function so that appropriation trends can be reviewed and evaluated.

The report is designed to be used by State Senators, Representatives, and others in providing a public accounting of legislative actions. Copies are available through the state's public library system or through the Office of Senate Counsel and Research, Room 123 Capitol, St. Paul, Minnesota 55155.

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Sessions Covered

1981 Regular Session	Jan. 6 - May 18, 1981
1981 First Special Session	June 6, 1981
1981 Second Special Session	July 1-2, 1981
1981 Third Special Session	Dec. 1, 1981 - Jan. 18, 1982
1982 Regular Session	Jan. 12 - March 19, 1982
1982 First Special Session	March 30, 1982
1982 Second Special Session	July 9, 1982
1982 Third Special Session	Dec. 7-10, 1982
1983 Regular Session	Jan. 4 - May 23, 1983
1984 Regular Session	March 6 - April 24, 1984

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Color Photo for Cover by Mark Nelson, Senate Photographer

I. HIGHLIGHTS

1981 Regular Session

The most significant events of the 1981 session were vetoes by Governor Albert Quie of the omnibus tax bill and a supplementary appropriations bill. The tax bill veto resulted in adjournment with an unbalanced budget.

General fund net revenue estimates at the end of the session totaled \$7,818,975,000. Appropriations totaled \$8,537,065,000, resulting in a \$718,000,000 shortfall.

The vetoed bills were estimated to produce \$794,000,000 in increased revenues and \$98,000,000 more spending. Proposals in the vetoed bill included:

Increases in the sales and income taxes of \$557,000,000; shift of payment dates of \$200,000,000; collection speedups of \$37,000,000; and supplementary appropriations for elementary and secondary education and Medical Assistance totaling \$98,000,000.

With the use of estimated cancellations, the budget would have been balanced.

Major actions of the 1981 regular session included:

An \$88,200,000 bill to restore school aids unallotted by the Department of Finance because of a revenue shortfall discovered in October of 1980; a school aid bill which spent more than \$2,300,000,000 and increased the local effort levy from 21 EARC mills to 23 EARC mills; and a speedup in the collection of withholding taxes from employers in order to raise \$61,400,000 to balance the fiscal 1981 budget. The session also increased the gasoline tax from 11 cents to 13 cents a gallon for a revenue gain estimated at \$78,000,000 over the biennium.

1981 First Special Session

The first special session of 1981 finished the budget balancing task that had been interrupted by the two gubernatorial vetoes and mandatory adjournment of the 1981 regular session.

Four bills were enacted in this session. These included \$875,000,000 in taxes, payment shifts and collection speedups, and expenditures of \$71,200,000 for elementary and secondary education and Medical Assistance.

The tax increases netted out at \$523,000,000; the payment shifts totaled \$201,300,000 and the collection speedups were estimated to produce a revenue gain of \$88,700,000.

Overall the general fund non-dedicated appropriations at the end of this special session were at \$8,487,902,200 compared with estimated revenues of \$8,581,743,900.

The spending included \$2,434,911,400 for elementary and secondary education; \$1,554,453,400 for health, welfare and corrections; and \$863,539,000 for the higher education system and the Department of Education.

\$5,177,672,700 out of the general fund budget went for tax relief to individual taxpayers or local governmental units.

\$1,316,791,200 was appropriated as property tax relief to homeowners; another \$101,400,000 was allocated as indirect property tax relief for renters; and \$27,600,000 was appropriated as income tax relief for low income workers.

Of the governmental property tax relief, \$1,120,047,700 was appropriated for various local aids including Social Security and Teacher Retirement contributions on behalf of local school boards; another \$1,675,121,200 was appropriated for elementary and secondary school foundation aids and secondary vocational program aid; \$913,767,900 was allocated for state transfer payments to counties for income maintenance programs; and \$22,900,000 was appropriated for the operations of the county courts system.

1981 Second Special Session

This session was called because of cash flow problems resulting from revenue shortfalls. Under law at the time the special session was called, the state could not borrow more than \$100,000,000 to avoid cash flow problems. The cash flow problem had exceeded \$100,000,000.

The Second Special Session of the 1981 Legislature enacted a new limit of \$360,000,000 on issuance of certificates of indebtedness in anticipation of revenues accruing to the General Fund.

1981 Third Special Session

This session was necessitated by an estimated revenue shortfall of \$869,000,000, causing a projected deficit of \$768,000,000.

The budget was balanced with a package of tax increases, appropriation cuts, a payment shift, and a tax collection speedup.

When it was over, the Legislature had adopted a package that included \$324,000,000 in spending cuts from the previously adopted budget, \$281,000,000 in tax increases, and a \$31,000,000 collection speedup.

The revenue level was at \$8,531,500,700 and the appropriations at \$8,491,803,000.

Major changes in the Minnesota tax system involved the enactment of a temporary seven percent surtax on the individual income tax and adoption of the unitary method for taxing corporations.

The Legislature also cut the tax rate on the first \$25,000 of corporate income from 12 to 9 percent in tax year 1982 and from 9 to 6 percent in tax year 1983.

In one other major tax change, the Third Special Session of 1981 increased the local effort school levy from 23 to 24 EARC mills for the 1982-83 and 1983-84 school years.

1982 Regular Session

This session proposed three major constitutional amendments to go on the 1982 General Election ballot.

The amendments proposed changes in the Minnesota Constitution to allow:

Horse racing and parimutuel betting.

Borrowing of more than \$150,000,000 for highway maintenance and construction, and the selling of highway bonds at interest rates above five percent.

The creation of an Intermediate Court of Appeals. (All three amendments were subsequently adopted.)

The session also voted more than \$30,000,000 in appropriation cuts, including the elimination of the shade tree disease program. Changes in the sales tax law eliminated exemptions for candy, soft drinks, and cable television. The session also enacted an extra five percent excise tax on on-sale liquor and beer.

Further, the Pollution Control Agency was asked to develop an acid deposition control plan for emission of sulfur dioxide - a major cause of acid rain.

1982 First Special Session

This session was called by Governor Albert Quie in response to changes in the federal unemployment compensation law. The Legislature appropriated money to pay interest on loans from the federal government used to pay unemployment compensation benefits, and made some changes in the unemployment compensation tax and eligibility systems.

1982 Second Special Session

This session was called by Governor Albert Quie to deal with the unusually high unemployment in northeastern Minnesota.

The Legislature voted to release interest and dividends from the Northeastern Minnesota Economic Protection Trust Fund for use before the year 2002 - the original limitation when the fund was created.

Specifically, \$7,500,000 was appropriated from that fund for emergency public work projects in northeastern Minnesota. The appropriation included limitation and review provisions.

1982 Third Special Session

This session was called by Governor Albert Quie in response to a projected revenue shortfall and included a package of

\$342,000,000 in appropriation cuts, spending shifts, and tax increases.

The income tax surtax, which was seven percent at the time of the session, was increased to 10 percent and an earlier temporary sales tax increase from four to five percent was made permanent. Further, the sales tax was temporarily increased from five to six percent with a scheduled expiration date of June 30, 1983.

The motor vehicle excise tax was increased from four to five percent (farm machinery remained at four percent).

To gain another \$100,000,000, the property tax recognition factor for school districts was changed to save the state that amount in state aids during the fiscal year.

Appropriation cuts of \$142,000,000 included \$81,000,000 in pension contributions from public employees; \$27,000,000 in welfare program cuts; and \$31,000,000 in cuts of local aids, school aids and homestead credits.

This closed the biennial appropriations for fiscal years 1982 and 1983. Appropriation levels are in the statistical section. Because of the numerous adjustments in estimates, the data reflects a point in time - the closing appropriations at the 1982 regular session for fiscal year 1982 and the closing appropriations at the 1982 third special session for fiscal year 1983.

1983 Session

The 1983 Session included major changes in tax policy and in the Workers Compensation insurance system, significant changes in the delivery of local aid and school aids, an emergency jobs program, a superfund bill, and Minnesota's first law authorizing pari-mutuel gambling and horse racing.

The 10 percent income surtax was extended until June 30, 1985; the six percent sales tax was made permanent; and the Motor Vehicle Excise tax was increased from five percent to six percent and made permanent.

Non-dedicated revenues were estimated at \$9,147,838,400 for the biennium. Appropriations were estimated at \$8,880,534,600. Cancellations were estimated at \$60,000,000. Another \$250,000,000 was appropriated to a newly created reserve fund and the carry-forward was estimated at \$77,303,800.

On the property tax front, the Legislature changed the residential and commercial property tax classifications and made major revisions in the agricultural school mill rate credit program.

Beyond that, major revisions were made in the local governmental aid program, and the school aid formula was altered to recognize higher expenditure pressures on districts with senior staff.

During the 1983 session an \$89,000,000 jobs program was also enacted in response to extremely high unemployment and a Superfund bill was passed to finance hazardous waste cleanup.

The Legislature also made major changes in the Workers' Compensation system. These changes included the creation of a competitive state workers' compensation insurance fund; ma-

for restructuring of the administrative system for handling workers' compensation insurance, and a new two-tier permanent partial disability payment schedule designed to provide incentives for injured workers to return to work and for employers to offer jobs.

That session also increased the gasoline tax from 13 to 17 cents a gallon. This increase was estimated to raise \$142,000,000 over the 1983-1985 biennium.

1984 Session

The 1984 legislative session dealt with a \$900,000,000 gain in revenues beyond estimates made in the previous session. The Legislature earmarked the money for income, sales and property tax relief, for increasing the budget reserve fund, and appropriations to education, highway construction and repair, a jobs program, and other miscellaneous items.

The Legislature eliminated the 10 percent surtax on the income tax retroactively, as of January 1, 1984, at an estimated cost of \$325,000,000. It also enacted targeted property tax relief and some additional local aids, along with a property reclassification, resulting in \$15,000,000 in property tax relief for commercial-industrial property. The Legislature also reduced the sales tax on capital machinery bought for new or expanding manufacturing plants.

Non-dedicated revenues for the biennium were estimated at \$9,431,930,700. Appropriations were estimated at \$9,431,930,700, including the \$375,000,000 in the budget reserve fund and anticipated surpluses dedicated to a newly created school reserve account. Thus no surplus is estimated.

The 1984 session also established a tax amnesty program for taxes which are delinquent as of February 1, 1984. The amnesty program allows taxpayers to pay 80 percent of the tax, penalty and interest due as of February 1, 1984. The maximum reduction is \$2,000.

Beginning January 1, 1985, business, trade or professional licenses will not be renewed if the applicant owes more than \$1,000 in delinquent sales or withholding taxes.

The major spending item was the transfer of \$51,000,000 from the General Fund to the Highway Fund by dedicating one-fourth of the Motor Vehicle Excise tax to this purpose. \$12,600,000 of that will go for mass transit; \$11,300,000 to the counties; \$3,400,000 to the municipalities; and \$23,700,000 to the State Department of Transportation.

Other major appropriations included \$6,200,000 for elementary and secondary education; \$30,000,000 for a jobs program; and \$125,000,000 to the budget reserve fund, increasing it from \$250,000,000 to \$375,000,000.

The 1984 Legislature created a new agency - the Charitable Gambling Control Board which will collect a new 10 percent receipts tax in lieu of the current sales tax. The board will have authority to issue, revoke, and suspend licenses with veto power to municipalities on new or renewed licenses.

II. TAX RELIEF AIDS TO LOCAL GOVERNMENTAL UNITS

The tax relief and aids to local governments programs have changed significantly in four regular and six special sessions since the last Fiscal Review was published.

In summary, this is the situation for the 1983-85 biennium:

Property tax relief and aids to local units of government will account for expenditures of \$6,044,017,600 - or 66.1 percent of total, actual state fund disbursements over the biennium ending June 30, 1985.

These numbers are not exactly comparable to the data used in the last Fiscal Review because more distinctions are being made in categorizing expenditures.

The major changes made since the 1980 publication are that the Fiscal Review no longer considers state bonding programs as state property tax relief and that state spending has been adjusted for double counting and tuition payments made by university and college students.

State bonding had been carried as property tax relief, because before 1968 property taxes were levied by the state for capital building projects. But because building projects are for state, not local, purposes, it was decided to no longer consider bonding costs as property tax relief. The biennial spending figure used in this analysis is \$9,145,040,200. This is the Department of Finance figure of \$9,838,059,900 adjusted to reflect an actual state support level.

Added to the Department of Finance expenditure number is \$50,000,000 paid as school aids to local districts out of the school endowment fund; \$45,000,000 appropriated but estimated as cancellations; and an estimated \$20,000,000 in low income alternative tax credits (working poor) carried as a regular tax refund.

Subtracted from the finance department expenditure number are \$808,019,700 in expenditures of dedicated revenues, including \$412,945,700 tuition paid by students at the University of Minnesota, the State University system and the State Community College system, because these are not state support moneys; \$276,861,500 in medical assistance receipts turned over to the state hospitals, which is already counted as a state expenditure in the state hospitals budget; and \$111,108,500 in welfare payments paid by the state to medical assistance vendors but reimbursed to the state by the counties.

Direct tax relief for 1983-85 totals \$1,673,303,800, or 18.3 percent. School aids total \$2,374,475,900, or 26 percent, and other forms of local aid to government amount to \$1,996,237,900, or 21.8 percent. For purposes of this Fiscal Review, regular and taconite homestead credits for school taxes and agricultural school aid credits are counted as property tax relief, not education aid.

TAX RELIEF

Almost two-thirds of the tax relief or \$1,109,826,200 is estimated to be spent on regular and taconite homestead credits. That program, along with most tax relief programs, has changed significantly since the last Fiscal Review was published. The homestead credit program for the 1983-85 biennium provides that the state pay 54 percent of the taxes on the first \$67,000 of non-agricultural homesteads, to a maximum of \$650. The same rules apply to agricultural homesteads, except that aid for these properties is not limited to tax on the first \$67,000 of homestead value.

Increases in homestead property taxes and the above law changes resulted in an estimated 60.4 percent increase in these credit payments from fiscal 1979-81 to the current 1983-85 biennium.

The property tax refund (circuit breaker) for homeowners and renters is expected to cost about \$391,962,200 this biennium. This is less than was estimated for the 1979-81 biennium, primarily because increases in the homestead credit programs and reclassifications reduced circuit breaker payments for some homeowners.

Significant changes were made in the renter credit over the intervening ten sessions, and technical changes with substantial

impact were made in the homeowner property tax credits.

The renter credit, estimated at \$180,801,000 for the 1983-85 biennium, increased by about 13.7 percent over the 1979-81 biennium estimate. The change in that program involved using actual pro-rated property taxes paid in the form of rent, rather than the 23 percent of net rent used before. The renter credit also includes an income cap. The property tax refund for homeowners under 65 is estimated at \$97,275,700, down 25.8 percent from the 1979-81 estimate. The property tax refund for senior citizen homeowners and renters is estimated at \$111,700,000 for 1983-85, down 23.2 percent from the estimated 1981-83 total. The lower costs resulted from homestead classification and homestead credit changes.

Property tax targeting credits were also re-enacted for each tax year except for property taxes payable in 1983. They differed in percentage levels, in income phaseouts, and in maximum payments. The 1984 session enacted a \$19,000,000 targeting program for homestead taxes payable in 1984. Taxpayers will get a rebate of property taxes paid above a 20 percent increase over the previous year's net taxes. There is no maximum payment, but homestead taxpayers with more than \$50,000 in income will not be eligible for a targeting credit. Benefits will be phased out between \$40,000 and \$50,000 of income.

The 1984 session also enacted a targeting plan for property taxes payable in 1985, which is estimated to cost \$12,300,000. The program will pay 50 percent of any increase over 12.5 percent over the 1984 net homestead taxes to a maximum of \$400. This program has no income limitation and must be funded in the 1985-87 biennial budget.

The state school agricultural credit is estimated to cost \$193,214,000 in the 1983-85 biennium, more than double the \$95,107,200 estimated for the 1979-81 biennium.

The major reasons for this large increase were rising property taxes and major law changes. The former credit was based on a specified number of mills applied against an agricultural land owner's assessed property value. The newly enacted system provides a credit as a percentage of various blocks of property taxes paid for property excluding the house, garage, and one acre per farm. The present law uses three percentages of agricultural aid - the highest for the first 320 acres; a lower one for the next 320 acres, and the lowest for acreage above that amount. The total amount of the credit has been capped at \$4,000.

The maximum agricultural school credit for taxes payable in 1984 was \$2,000, but that figure was increased to \$4,000 during the 1984 session after tax bills were mailed out.

Other property tax relief programs and their cost in the 1983-85 session are:

Attached Machinery Aid, \$16,289,900; credit for property for the blind and disabled and for owners of Title II subsidized housing, \$15,339,600; Wetlands Credit, \$4,492,000; Native Prairie Credit, \$290,000; and Taconite Homestead Credit, \$28,600,000.

About \$20,000,000 will go as an income tax credit to the working poor as part of the low income alternative tax program.

EDUCATION AIDS

Aids for elementary, secondary and vocational education for the 1983-85 biennium are expected to total \$2,374,275,900. This does not include \$704,878,100 in tax aids applied to elementary and secondary education levies which would result in elementary, secondary and vocational education state spending of \$3,079,154,000 by the state. This does not include an allocation for school taxes involved in entitlements for property tax relief credits for homeowners and renters.

The bulk of the aid is delivered for foundation aids, vocational aid, special education aid and transportation aid, and payment of employers' share of retirement plans. At one time these costs were picked up through property tax levies. They were converted

to state general fund payments in several steps beginning in the 1967 session.

Of the total, \$177,881,700 goes to the Teachers Retirement Association; \$37,276,800 is for the teachers retirement associations of Minneapolis, St. Paul and Duluth; and \$166,643,300 goes for teachers' Social Security payments.

The amounts appropriated for the biennium for these major purposes are:

Foundation aid, \$1,143,149,000; pension aid, \$381,801,800; vocational aid, \$262,734,200; special education aid, \$258,386,400; and transportation aid, \$168,729,400.

AIDS FOR OTHER LOCAL GOVERNMENTAL UNITS

Aids for cities, counties, townships, and other governmental units are estimated to cost \$2,056,150,900 over the 1983-85 biennium.

The largest portion of these aids involve welfare aids to the counties. These total \$1,191,553,400.

Most of that amount - \$1,075,250,100 - is for public assistance payments under Medical Assistance (MA), General Assistance Medical Care (GAMC), Aid to Families with Dependent Children (AFDC), General Assistance (GA), and Minnesota Supplemental Assistance (MSA) for seniors and disabled. The estimated amount for the biennium is 49.5 percent higher than was estimated for the 1979-81 session. However, actual expenditures for the 1979-81 session exceeded estimates by almost \$230,000,000, for an

actual increase over the four years of about 19 percent.

The allocation of these aids for major programs are \$661,367,000 for MA; \$199,164,100 for AFDC; \$106,000,000 for GAMC; \$83,741,000 for GA; and \$24,978,000 for MSA.

The rest of the state welfare aids were for social service programs and for administrative aids to the counties. This is estimated to cost \$116,303,300.

Local governmental aid (LGA) payments to municipalities, counties and townships are estimated to cost \$544,119,000 over the 1983-85 biennium - a 13.6 percent increase over the 1979-81 biennium.

Major changes were made in the local governmental aid program. These included folding attached machinery aid for the cities into the LGA base. The formula was changed, from one based on a per capita amount, allocated on the basis of spending authority and tax effort, to an open and standing appropriation formula, with allocation based on local revenue bases in excess of what ten equalized mills would raise.

Other aids allocated in the 1983-85 biennium are:

Aid to taconite counties and municipalities, \$49,545,000; mass transit aid, \$58,405,200; community corrections, \$24,092,100; public pension aids, \$73,107,900; local highway maintenance aids from the general fund, \$14,700,000; payment for judges' salaries in county and district court systems, \$24,564,000; and miscellaneous, \$16,051,300.

III. FUNCTIONS OF THE STATE GOVERNMENT

A. Education

1981 Regular Session

The 1981 Legislature in regular session provided \$3,416,944,600 for education in fiscal years 1982 and 1983. In addition, the 1981 session provided \$89,500,000 from state revenues in fiscal year 1982 to restore elementary and secondary aids that were cut for fiscal year 1981.

The original appropriations for the 1981-83 biennium can be itemized as follows:

State Department of Education	\$ 47,599,700
Aid to Elementary and Secondary Schools	1,985,070,391
Endowment Aid	43,000,000
Aid to Non-Public School Students	7,958,260
Aid to Area Vocational Technical Institutes	207,663,600
Community Colleges	79,010,000
State Universities	166,056,000
University of Minnesota	473,335,500
Higher Education Coordinating Board	87,632,500
Mayo Medical	3,191,000
Teacher Retirement	316,427,600

The 1981 Legislature established education programs, formulas and funding levels for the 1981-83 biennium which were modified by subsequent legislative sessions during the biennium. The following information will describe the programs and funding approved during the 1981 regular session. Subsequent changes will be described in a section on each legislative session where changes were made.

In a similar way the programs and funding for the 1983-85 biennium are described in the section on the 1983 session with additions and changes described under the 1984 session.

Department of Education

The 1981 legislative session appropriated \$23,801,500 for fiscal year 1982 and \$23,798,200 for fiscal year 1983 for the Department of Education.

The Department is responsible for overall administration of Minnesota's public elementary, secondary, and vocational education system including 436 school districts, 33 area vocational-technical institutes and numerous cooperatives for special and vocational education, general services, and computer services. The Department distributes aid for public libraries, the school lunch program, transportation of public and non-public school students, non-public school students, and other specialized areas. In addition, the department administers the School for the Deaf, the Minnesota Braille and Sight Saving School, and the library for the blind and physically handicapped.

Primary concerns of the department include curriculum and instruction, teacher and administrator qualifications, vocational education, education for special types of students, and statistical information. The department also administers all state education aids and levy limits for property taxes for education. The aids and levies amount to approximately \$2,000,000,000 per year in revenue for elementary, secondary and post-secondary vocational education.

Elementary, Secondary and Vocational Education

The 1981 Legislature appropriated \$2,243,692,251 to elementary, secondary and vocational education for the 1982 and 1983 fiscal years - an increase of 12 percent over the previous biennium. This figure includes appropriations of \$2,160,676,251 in the omnibus education aids bill, \$43,000,000 from the permanent school fund and \$40,016,000 from taconite tax relief funds paid to school districts (homestead credit reimbursements are not included here). In addition to these appropriations, the state provided \$286,320,552 for teachers retirement.

The appropriations in the omnibus education aids bill includes \$207,663,600 for post-secondary vocational education in the state's 33 Area Vocational Technical Institutes; \$24,418,500 for community education, adult high school completion programs and adult vocational programs; \$7,958,260 for aids for non-public students; \$1,434,400 for regional Educational Cooperative Service Units; \$7,920,780 for public libraries; and \$9,500,200 for construction loans to low valuation school districts. \$9,569,100 was allocated for school lunch and food storage programs. The balance of the appropriation went to the school districts for the education of elementary and secondary students.

Historically, the major education aids appropriations have been calculated assuming that 90 percent of the appropriation is paid in the fiscal year of the appropriation and 10 percent in the following fiscal year. Beginning with fiscal year 1983, this computation was changed to an 85-15 split for most appropriations. The fiscal year 1983 appropriations included the 10 percent final payment for fiscal year 1982 and 85 percent of the fiscal year 1983 estimated entitlement.

Foundation Formula

The primary source of funds for elementary and secondary education is the foundation formula. Through a combination of state foundation aid and property taxes, this formula provides a guaranteed amount of revenue for each student in public school. The guarantee varies with the grade level. Secondary students are allocated 40 percent more money than elementary students.

For the 1981-83 biennium \$1,338,700,000 in appropriations plus \$43,000,000 in permanent school fund revenues supplemented local revenues to arrive at the foundation dollar guarantee. An additional \$23,400,800 was provided for summer school foundation aid.

These appropriations combined with the related property tax levies provided \$1,318 per pupil unit for fiscal year 1982 and \$1,400 for fiscal year 1983. The \$1,318 figure was reduced from the \$1,354 established for fiscal year 1982 by the 1980 legislature. The required basic mill rates were 21 mills and 23 mills, respectively. The foundation formula includes state aid and property tax levies for high spending districts (grandfather component), fluctuating enrollment and sparsity (replacement component), and also a discretionary component may be used by the local school board with a reverse referendum. Additional pupil counts are allocated for AFDC students.

The guaranteed amount per pupil unit for the grandfather and replacement components is different for each school district depending on the spending and enrollment patterns of the district. The discretionary component permits a 1 mill levy with a guarantee of \$64.48 per pupil unit for fiscal year 1982 and 2.25 mills with a guarantee of \$136.96 for fiscal year 1983. Districts with less than \$165 per pupil unit fund balance were exempt from the reverse referendum for the first mill. Districts with a fund balance above \$500 per pupil unit must reduce their discretionary levy by the amount above the \$500 per pupil unit.

Transportation Aid

A total of \$247,164,546 was provided for the state portion of the transportation formula. This was an increase of \$65,424,546 or 36 percent. The local levy requirement remained at 1 mill. Inflation factors for the formula were set at 28 percent for fiscal year 1982 and 25 percent for fiscal year 1983. Additional factors were added to the formula to account for the proportion of land used for extractive purposes. Transportation aid will no longer be paid for secondary students who live less than 2 miles from school.

Special Education Aids

Special education aids provide state funds for a portion of the salary and supply costs for education of handicapped students and students with limited English proficiency. A new aid was authorized this session for services to hearing impaired adults who wish to participate in educational programs. Special education is required and aid is paid for all handicapped students from age 4 to 21. Aid is also paid for services to younger children and to children in non-public schools.

The 1981 Legislature provided \$196,469,200 for special education aid to fund 65 percent of teachers' salaries - a reduction from the 70 percent of the previous biennium. An additional \$6,380,080 was appropriated to fund 70 percent of 1981-82 salaries and 65 percent of 1982-83 salaries for limited English proficiency teachers. This was a pilot program during the previous biennium. \$70,000 was appropriated for the new hearing impaired services aid. An additional \$971,250 was provided for Indian language and culture programs. The total funding of \$212,338,830 for these special programs was an increase of \$28,883,180 or 16 percent over the previous biennium.

Vocational Aids

A total of \$269,789,210 was provided for vocational education for the biennium, an increase of 13 percent. This includes \$46,807,710 for secondary vocational and \$15,317,900 for adult vocational including veterans farm management programs. The remaining \$207,663,600 will fund post-secondary vocational education at the state's 33 area vocational technical institutes.

The formula for post-secondary vocational instructional aid permits a two year inflation of 19 percent. \$108,108,000 was provided for this instructional aid. Debt service aid received \$15,331,100. The remaining \$84,224,500 provided categorical funding for supplies, equipment, repair and betterment, and contingency funds for the post-secondary vocational schools.

Adult vocational aids pay 75 percent of the salary of adult vocational teachers and 50 percent of the travel costs. The funding of \$15,317,900 was a \$266,200 reduction from the previous biennium.

Secondary vocational aids of \$42,144,400 were appropriated to pay 45 percent of salary, travel and equipment costs - a reduction from the 50 percent of previous years. Secondary vocational services for handicapped students was funded at 65 percent of salary, equipment and travel costs with a state appropriation of \$4,663,310. These two aids were reduced \$5,985,900 from the previous biennium.

Other Education Aids

The 1981 Legislature increased funding of adult and community education aid by 4 percent to a total of \$9,100,600 for the biennium.

The per capita community education aid was reduced from 75 cents to 65 cents for fiscal years 1982 and 1983. Beginning with fiscal year 1984 an equalized aid and levy with revenue of \$5 per capita was instituted. Adult education aid, equal to 90 percent of the salaries of teachers for adults getting a G.E.D. or high school diploma, was continued.

A new pilot program called "improved learning" was funded at \$300,000 for the biennium. The funds are for extended year contracts for participating teachers, principals and counselors.

Funding was continued for various special aids for gifted and talented, Council on Quality Education innovations, chemical use programs, school lunch, health screening, early childhood and family education and other programs.

Higher Education

Revenue bond authority for the Higher Education Coordinating Board to obtain funds for student loans was increased from \$300,000,000 to \$550,000,000.

Biennial appropriations for the Higher Education Coordinating Board were \$87,632,500. The appropriation was \$7,081,200, or 7 percent less than the amount appropriated for 1979-81. However, the amount appropriated for student aids increased from

\$45,352,000 in 1979-81 to \$55,440,000 in 1981-83. The amount appropriated for tuition reciprocity declined from \$19,438,500 to \$10,969,000.

Other biennial appropriations for higher education were as follows:

	1981-1983	% Increase from 1979-81
University of Minnesota	\$478,385,500	7.7%
Mayo Medical	3,191,000	18.3
State University Board	166,056,000	8.1
Community College Board	79,010,000	7.2

Appropriations in the 1981 session from state building fund capital improvement bonds were as follows:

University of Minnesota	\$38,057,100
State University Board	1,621,000
Community College Board	620,000

1981 First Special Session

Elementary, Secondary and Vocational Education

The first special session of the 1981 Legislature increased education aids appropriations by \$35,100,000. This included a small additional appropriation of \$136,000 for 1982 summer school programs, and additions of \$11,011,000 for special education and \$26,553,000 for foundation aid. The transportation aid appropriation was reduced \$2,600,000.

Formula changes related to these appropriations include an increase of the foundation formula from \$1,318 to \$1,333 for 1981-82 and from \$1,400 to \$1,416 for 1982-83. The special education formula was changed from 65 to 68.8 percent of staff salaries. The transportation aid inflation factor was reduced from 28 to 26 percent for fiscal year 1982 and from 25 to 22 percent for fiscal year 1983.

Higher Education

Biennial appropriations to the Higher Education Coordinating Board were increased by \$6,750,000, of which \$4,125,000 was for student aids.

1981 Third Special Session

Elementary, Secondary and Vocational Education

The third special session of the 1981 Legislature reduced education aids appropriations by \$160,900,000 for fiscal year 1983. The law permitted local units to levy for \$43,000,000 of that reduction. An additional reduction of \$134,000,000 in state aid payments was accomplished by permitting school districts to recognize one sixth of their property tax revenue early. State aid payments were reduced accordingly.

The \$160,900,000 reduction in appropriations included a reduction of \$68,481,500 in foundation aid, which reduced the formula allowance for 1982-83 from \$1,400 to \$1,346 and increased the mill rate from 23 to 24 mills. Another 1 mill increase was required for transportation aid. Districts were permitted to recertify their tax levies for these changes. Categorical aids were reduced 7.5 percent. An additional \$26,894,300 was reduced by an across the board reduction of 1.5 percent for all aid appropriations.

Appropriations for the department of education were reduced by \$4,500,000 for the biennium with a reduction of \$1,500,000 for fiscal year 1982 and \$3,000,000 for fiscal year 1983.

Higher Education

Biennial appropriations were reduced by these amounts:

Higher Education Coordinating Board	\$ 4,336,900
State University Board	6,900,000
State Community College Board	3,300,000
University of Minnesota	19,600,000
Mayo Medical School	370,000

Of the amount cut from the Higher Education Coordinating Board, \$1,900,000 was in the funds for student aids.

In addition to the above cuts, the amount of money to be made available for faculty and support staff salaries during the biennium was reduced substantially. The University of Minnesota share was estimated to be about \$7,000,000, the State University Board, \$3,000,000, and the Community College Board, \$1,500,000.

In their efforts to offset the effects of these budget reductions, the state's higher education systems relied on a combination of staff and program cuts and tuition increases. The University of Minnesota and the community colleges increased undergraduate tuition by 22 percent for the fall quarter of 1982. The state universities increased tuition by 12.5 percent for the spring and summer sessions of 1982 and by an additional 15 percent for the fall quarter.

1982 Regular Session

Elementary, Secondary and Vocational Education

The 1982 Regular Session made no changes in education aids appropriations. The various categorical aid formulas were revised to make the formulas consistent with the appropriation reductions made during the 1981 Third Special Session.

A levy of \$20 per regular school year pupil unit was permitted for summer school programs. This provided taxing authority to make up for the elimination of summer school aid. The discretionary levy authority in the foundation formula was increased from 2.25 to 2.5 mills. A new component was added to the foundation formula for districts with low fund balances (below \$316 per pupil unit). These districts may make a levy with a guaranteed revenue of \$60 per pupil unit. The state aid portion of this revenue will be computed at 75 percent of the state portion of the basic foundation formula.

Higher Education

The following amounts were appropriated from the state building fund for capital improvements:

State Universities	\$ 924,000
University of Minnesota	1,235,000

1982 Third Special Session

The third special session of the 1982 Legislature made further cuts in education appropriations by both an across the board reduction in appropriations for FY 83 and by increasing the property tax shift.

Appropriations for education aids were reduced by .9 percent of the revenue entitlement for each aid. This amounted to a reduction of \$15,558,000 for elementary and secondary education aids and a reduction of \$1,442,000 for post-secondary vocational aids.

Elementary-secondary aids were further reduced by increasing the property tax shift from one sixth to one third. This resulted in an aid reduction of an additional \$100,000,000 which was replaced by property tax revenue.

Appropriations for the department of education were reduced by \$400,000.

SUMMARY OF FINAL 1981-83 EDUCATION APPROPRIATIONS

After all the additions and reductions by the regular and special sessions throughout 1981 and 1982, the final appropriations for education for fiscal years 1982 and 1983 were \$3,042,933,081.

These appropriations can be itemized as follows:

State Department of Education	\$ 32,911,599
Aid to Elementary and Secondary Schools ..	1,663,998,792
Endowment Fund	50,000,000
Aid to Non-public School Students	7,565,823
Aid to Area Vocational Technical Institutes ..	217,911,599
Community Colleges	74,099,255
State Universities	155,444,802
University of Minnesota	449,224,073
Higher Education Coordinating Board	92,447,349
Mayo Medical	2,497,000
Teacher Retirement	296,832,678

These figures show a net reduction of \$374,011,519 from the original 1981 regular session appropriations. The majority of this reduction was in aid to elementary and secondary schools.

1983 Session

The 1983 Legislature provided \$3,463,439,700 for education in fiscal years 1984 and 1985, an increase of 14 percent over the previous biennium.

The appropriations and other revenues will be used in the following manner.

State Department of Education	\$ 47,627,000*
Aid to Elementary and Secondary Schools	1,732,488,500
Endowment Fund	50,000,000
Aid to Non-public School Students	12,665,000
Area Vocational Technical Institutes	201,280,200
Community Colleges	105,296,300
State Universities	211,367,700
University of Minnesota	601,916,700
Higher Education Coordinating Board	115,250,700
Mayo Medical	2,548,600
Teacher Retirement	382,999,000

*AVTI repair and betterment aid of \$3,439,200 included with AVTI funds.

Department of Education

The appropriation of \$47,627,000 for the department of education increased by \$4,927,300, or 11.5 percent over the previous biennium. This appropriation includes \$11,153,900 for the Braille and Sight Saving School and the School for the Deaf, which are administered by the department. It also includes funding for the overall administration of Minnesota's 436 school districts and various cooperative agencies for elementary, secondary, vocational, adult and post-secondary vocational education.

On January 1, 1984, the state administration of the 33 Area Vocational Technical Institutes was transferred from the state department of education to a newly established state board of vocational technical education. During 1983 negotiations took place between the current state board of education, the department of education and the new board to determine funds to be transferred from the department of education to the new board for administration of the AVTI system. Future appropriations for this post secondary education system will be a part of the higher education appropriations rather than being included with elementary-secondary education.

Elementary, Secondary and Vocational Education

The 1983 Legislature appropriated \$1,996,433,700 for direct and open appropriation to elementary, secondary and vocational education for the 1984 and 1985 fiscal years. This is an increase of 7 percent over the previous biennium. This figure includes appropriations of \$1,899,949,500 in the omnibus education aids bill, \$50,000,000 from the permanent school fund and \$43,045,000 from taconite tax relief funds. In addition to these appropriations, the state provided \$382,999,000 for teachers retirement, an increase of \$96,678,448, or 34 percent.

The appropriations in the omnibus education aids bill include \$197,841,000 for post-secondary vocational education. An additional \$3,439,200 was appropriated for this purpose in the department of education appropriations, for a total appropriation of \$201,280,200, an increase of 1.4 percent over the previous biennium. The omnibus bill also includes \$9,933,000 for community and adult education, \$1,662,600 for adult vocational education, \$12,665,000 for aid to non-public school students, \$79,000 for services to hearing impaired adults, \$9,371,000 for public libraries, \$7,391,000 for construction loans to low valuation school districts, \$6,868,500 for early retirement and extended leaves for teachers, \$1,028,000 for early childhood and family education, and \$150,000 for a legislative commission on public education. \$9,250,000 was allocated for school lunch programs. The balance of the appropriations was for various aids to school districts

and cooperative units for education and services to elementary and secondary students.

Foundation Formula

For foundation aid in the 1983-85 biennium, the 1983 Legislature appropriated \$1,140,618,000 from the general fund, plus an estimated \$50,000,000 from permanent school fund revenues. Revenue equity provisions will reduce this amount by \$4,269,000 to \$1,136,349,000. When these figures for both bienniums are reduced by the full amount for the property tax shift, this is a 9 percent increase over the previous biennium.

The foundation aid formula actually consists of several separate "components," each with its own formula. Each component includes both state aid and a corresponding local property tax levy. For fiscal year 1984, the foundation aid components and formulas are very similar to those for fiscal year 1983, described in an earlier section. For fiscal year 1985, the Legislature enacted a major revision of foundation aid, replacing most of the existing components with a new system called the "five-tier discretionary" system.

The largest component, basic foundation aid and levy, is essentially identical for both years of the biennium. In both years, school districts receive revenue of \$1,475 per pupil unit. To receive this revenue, each district must levy a local property tax of 24 mills in both years (up from 23 mills in fiscal year 1983). State aid makes up the difference between the guaranteed revenue and the amount raised by the local levy.

In fiscal year 1984, the foundation formula includes four additional components: the grandfather, replacement, discretionary, and low fund balance components. The grandfather and replacement components are identical to those described earlier for fiscal year 1983. The discretionary component is similar to the fiscal year 1983 component, but the maximum revenue per pupil unit was increased from \$138.52 in fiscal year 1983 to \$153.65 in fiscal year 1984, and the local mill rate was increased from 2.25 to 2.5 mills. The low fund balance component is a new component for fiscal year 1984. Through a combination of state aid and local levy, it provides up to \$60 per pupil unit in additional revenue for districts with operating fund balances lower than \$316 per pupil unit. The amount of the levy depends on the total revenue to be raised and the property valuation of the district.

For FY 85, these four components (grandfather, replacement, discretionary, and low fund balance) were discontinued. In their place, the Legislature enacted a new five-tier discretionary revenue system. The main goals of the new system are to provide districts with more equal access to revenue, to recognize cost differences more explicitly and directly, and to give local school boards more discretion in choosing an amount of revenue.

The first tier, or cost differential tier, provides varying amounts of revenue, based on the level of training and experience of the district's teachers, and for districts that are small and geographically isolated the amount of "sparsity" revenue which the district received previously. The second, third, and fourth tiers provide revenue per pupil unit of \$150, \$100, and \$100, respectively, to all districts. The second tier revenue is reduced for districts with operating fund balances greater than \$500 per pupil unit. Fifth tier revenue is available to only 74 districts. It assures that the five tiers will provide these districts with the same revenue they would have received from the four discontinued components, plus an increase of \$25 per pupil unit. For all other districts, the first four tiers are sufficient to provide increases exceeding \$25 per pupil unit.

Revenue for all five tiers is provided through a combination of state aids and local property taxes. As with the "basic" component of foundation aid, the proportions of aid and levy depend on the property valuation of the district. For the first and second tiers, aid makes up the same proportion of revenue as it does for basic aid and levy. The other three tiers are equalized with lower levels of state aid.

To limit the state cost and property tax impact of this new system, it is being phased in over four years. Districts will receive

one fourth of the increase in revenue in fiscal year 1985, one half in fiscal year 1986, 3/4 in fiscal year 1987, and the full amount in fiscal year 1988.

The 1983 Legislature also enacted provisions, often called "revenue equity," which will affect the state aids and the levies in districts with high levels of property valuation per pupil unit. Some school districts have enough property valuation that the 24 mill basic foundation levy would raise more revenue than the guaranteed amount of \$1,475 per pupil unit. Prior to fiscal year 1985, the basic foundation levy in these districts was limited to the amount of the guaranteed revenue; so the levy in these districts has been less than 24 mills. The revenue equity provisions will require these districts to levy the full 24 mills. The excess revenue will be subtracted from other state aids. Similar provisions apply to the one mill basic transportation levy. These provisions will be phased in over six years. Thus, the levy in these districts will rise gradually to 24 mills, and the amount subtracted from other state aids will increase each year.

Transportation Aid

A total of \$174,472,000 was provided for the state portion of the transportation formula for the 1983-85 biennium. The formula also includes a required local levy of 2 mills. The regular formula provides funds for transportation of students to and from school and summer school. A separate formula for transportation of students for special purposes, such as vocational education and special transportation for handicapped students, provides for state payment of a graduated percentage of the actual costs of these services, with local levy authority for the remaining costs. The appropriation for this biennium is a reduction of \$33,584,850, or 16 percent from the previous biennium.

Special Education Aids

Formula allocations for categorical aids for handicapped students and students with limited English proficiency were returned to their pre-1983 levels of 70 percent of teachers' salaries for special education and 65 percent for limited English proficiency. Funding for all types of special education was set at \$258,795,000 for the 1983-85 biennium, an increase of \$46,611,074, or 22 percent over the previous biennium. Of the total, \$251,674,000 is for educational services to handicapped children, an increase of \$46,519,939, or 23 percent.

Vocational Education

Total funding for all levels of vocational education for the 1983-85 biennium is \$263,580,200, an increase of \$6,703,711, or 3 percent. This total includes \$201,280,200 for post-secondary vocational education, \$45,674,000 for secondary vocational education, and \$16,626,000 for adult vocational programs.

Beginning with fiscal year 1985, the formula for post-secondary vocational funding was changed to the average cost funding formula. The funding for this system was increased 2 percent over the previous biennium.

Beginning in fiscal year 1984, formulas for secondary and adult vocational education return to 45 percent and 75 percent of salaries, respectively. Secondary vocational funds were increased 2 percent over the previous biennium. Adult vocational programs received an increase of \$2,015,707, or 14 percent.

Other Education Aids

The 1983 Legislature provided \$9,933,000 for community and adult education programs, an increase of \$1,273,647, or 15 percent. The aid formulas remain at the previously set levels. Community education is guaranteed revenue of \$5.00 per capita with a .9 mill levy for fiscal year 1984 and .8 mill for fiscal year 1985. For 1984 there is a guaranteed aid of 25¢ per capita for community education and an additional 25¢ per capita for early childhood and family education. For fiscal year 1985 the early childhood aid is 50¢ per capita for community education. Early childhood and family education pilot programs, previously funded by the Council on Quality Education, have been phased out with

community education responsible for providing these programs. The adult education formula is set at the pre-1983 level of 90 percent of teachers' salaries.

Funding of \$53,581,000 is provided for other categorical aids, including aid to public libraries, Educational Cooperative Service units, school lunch programs, and construction loans to low valuation districts. Categorical programs include health screening, chemical use programs, capital expenditure aid, gifted and talented, Indian education, aid to non-public students, and Council on Quality Education grants for innovation.

Funding for early retirement incentives, extended leaves and part-time teaching was set at \$6,868,500. The state portion of the extended leave program will be eliminated for leaves beginning in 1983-84. Local districts may continue the program on their own.

New Programs for Technology and Education Improvement

The 1983 Legislature established several new programs for innovation and improvement in use of educational technology and other educational practices. \$5,890,000 was provided for these programs.

Higher Education

Biennial appropriations for the University of Minnesota were \$601,916,700. This appropriation included \$2,200,000 for the establishment of a four-year engineering school at the Duluth campus.

The State University Board got a \$211,367,700 appropriation which included \$100,000 for the first two years of a three-year, phased development of engineering programs at Mankato State and St. Cloud Universities.

Additional appropriations included \$105,296,300 for the State

Community College Board and \$2,548,600 for the Mayo Medical Foundation.

The following amounts were appropriated from the state building fund for capital improvements:

University of Minnesota	\$21,456,300
State University Board	3,360,000
State Community College Board	470,000

The amount given to the University of Minnesota included \$15,990,000 for the construction of a music facility on the West Bank Campus.

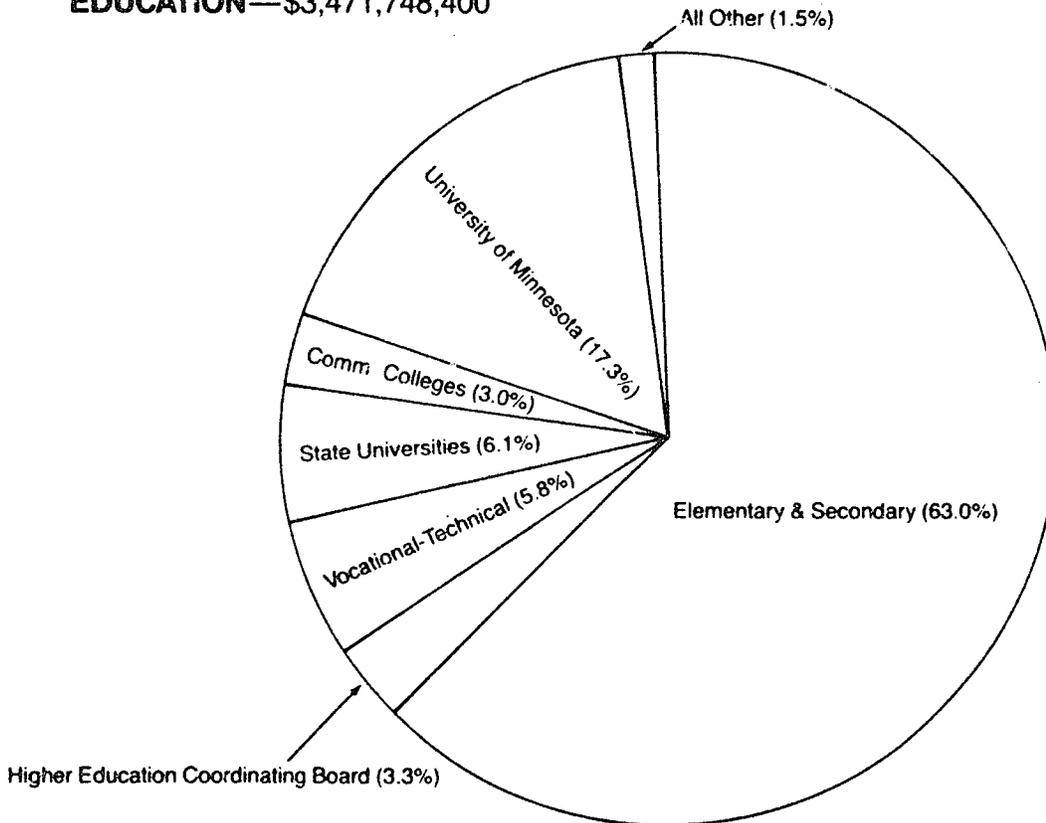
The Legislature established a new policy for determining appropriations for higher education. The policy is that the appropriations for instructional services should equal the cost of providing the instructional services minus the estimated tuition revenue. The Legislature established these percentages of instructional costs to be financed from tuition revenue by fiscal year 1985: Community Colleges, State Universities, and the University of Minnesota, all 32 percent; AVTIs, 25 percent.

To offset the tuition increases, the Governor recommended and the Legislature approved an appropriation of \$89,640,000 for student aids, an increase of \$43,500,000, or 55 percent from the previous biennium. Total appropriations for the Higher Education Coordinating Board were \$115,250,700, of which \$11,650,000 was for tuition reciprocity.

The Legislature also accepted the Governor's "shared responsibility" proposal to require students to be responsible for 50 percent of the cost of going to school. The remaining 50 percent is to be covered through aid from the state and federal governments and parental contributions.

A new, independent state board of vocational technical education was created to govern post-secondary vocational education. Previously, this authority was given to the state board of education.

EDUCATION—\$3,471,748,400



Elementary, Secondary and Vocational Education

The 1984 Legislature provided \$8,308,700 for increases in various aid programs to fund a number of studies and task forces. Technology programs were increased \$581,000. Education improvement initiatives started in 1983 were increased \$1,370,000. This includes new initiatives in school management, research and development, and programs of excellence. New funding of \$1,915,000 was provided for local assessment programs and aid for testing for curriculum improvement.

The 1984 Legislature also enacted many provisions which will effect school funding in the 1985-87 biennium. Appropriations for these provisions will not be made until the 1985 session. Many of the new provisions were related to foundation aid; they included an increase in the foundation formula allowance to \$1,585 in fiscal year 1986, reduction of the basic mill rate from 24 to 23.5 mills, repeal of revenue equity provisions for agricultural districts, and several changes in the five-tier discretionary formula adopted in 1983. Other new provisions included aid for summer programs, aid for early childhood and family education programs, and an increase in community education aid.

Two "contingent appropriations" were enacted; these will take effect if the state's projected general fund balance exceeds spec-

ified levels. The appropriations are \$21,700,000 for education aids increases in the next biennium, and \$74,000,000 to reduce the property tax shift and increase state aids in the current biennium. The combined total is \$102,700,000.

Higher Education

The legislative policy stating that the appropriation for instructional services should equal the total cost of instruction minus the estimated tuition revenue was amended by adding a provision specifying that for the 1985-87 biennium the estimated tuition revenue should be approximately 33 percent of instructional cost for the University of Minnesota, the state university system, and the community college system, and 25 percent for the area vocational-technical institutes.

An additional \$5,000,000 was appropriated to the Higher Education Coordinating Board for student aids.

An additional \$3,475,000 was appropriated to the University of Minnesota. Of this amount, \$1,600,000 was for the Supercomputer Institute, and \$125,000 was for research on growing and processing grapes in Minnesota.

The following amounts were appropriated for the biennium from the state building fund for capital improvements:

University of Minnesota	\$57,961,000
State Community College Board	25,038,400
State University Board	19,505,000

B. Welfare

1981 Regular Session

The 1981 Legislature appropriated \$1,323,385,700 for public welfare activities. Components of the budget are Income Maintenance, \$884,767,900; Mental Health (including state hospitals), \$293,012,300; Social Services, \$122,287,000; and Welfare Management, \$30,599,500. (The amounts shown in the program totals are reduced by \$7,281,000 to stay within the overall appropriation.) An additional \$51,814,800 was appropriated to cover deficiencies in the income maintenance programs for the 1979-81 biennium.

Income Maintenance

Income maintenance includes the public assistance programs of the Department of Public Welfare (DPW). Appropriations for Aid to Families with Dependent Children (AFDC), Medical Assistance (MA), and Minnesota Supplemental Assistance (MSA) totaled \$760,666,600 and included 7 percent AFDC grant increases on July 1, 1981, and July 1, 1982. Upon executive order of the governor, an advisory task force was created to study publicly funded health care programs and make specific recommendations to the governor on changes needed to limit expenditures to the amount authorized for fiscal years 1982 and 1983. Appropriations for GA and General Assistance Medical Care (GAMC) totaled \$99,940,100.

Increases in payments to hospitals and nursing homes under MA and GAMC were capped at 8 percent each year. Payments to other providers - physicians, dentists, chiropractors, etc. - were set at the 50th percentile of usual and customary fees based on calendar 1978 billings and frozen.

Payments under GAMC were limited to the following services - inpatient and outpatient hospital, prescription drugs, physician services, medical transportation, and dental care, and for medications prescribed for mentally ill persons as necessary to prevent more restrictive institutionalization. The commissioner of public welfare was given authority to ratably reduce GAMC payments to keep expenditures within appropriations. Maximum reductions were 45 percent for inpatient and outpatient treatment of chemical dependency or mental illness; 35 percent for other inpatient hospital care; and 25 percent for other services.

In MA, payments for nursing home reserved bed days (days when the resident is not in the home but a bed is being held open)

were eliminated, as were payments directly for the services of physical and occupational therapists, speech pathologists, and audiologists. The commissioner was directed to prescribe a drug formulary, or list of drugs for which reimbursement will be available. The amount of assets a couple can own and still qualify for MA was reduced from \$10,000 to \$4,000. The appropriation included \$1.8 million for alternative care grants to prevent unnecessary nursing home utilization.

GA eligibility was restricted to persons meeting one of eight eligibility criteria - illness, injury, or incapacity; presence required in the home; displaced homemaker; unable to communicate in English, etc. Persons lacking marketable skills were made eligible for five weeks of GA benefits each calendar year.

A wage withholding program was authorized to improve child support collections.

Mental Health

Mental health appropriations included \$244,438,700 for operation of the state hospital system. Rochester State Hospital was ordered closed by June 30, 1982. Appropriations for the two state nursing homes were \$27,521,600. A grant program was established to provide funds to enable community residential facilities serving the mentally ill to meet program standards in DPW Rule 36.

Social Services

Social services funding included \$86,475,700 for the Community Social Services Act (CSSA) formula. Effective January 1, 1983, the following separate programs were folded into the CSSA formula - cost of care for mentally retarded, cost of care for emotionally disturbed, sharing life in the community, and mentally ill deinstitutionalization.

Welfare Management

Welfare management included \$6,317,800 in special county aids and \$24,281,700 in administrative support.

1981 First Special Session

An appropriation of \$9,000,000 the first year and \$19,500,000 the second year was approved for the MA program to restore coverage for nursing home reserved bed days; to restore coverage for physical therapy, occupational therapy, speech pathol-

ogists, and audiologists; to allow payments to MA providers to increase by 10 percent rather than 8 percent, and to change the base for determining MA provider reimbursements to the 50th percentile of 1979 usual and customary fees. The regular session had established 1978 as the base year.

The limit on cash or liquid assets for establishing MA eligibility was raised to \$10,000 from \$4,000 for a couple when one spouse resides in a nursing home or is receiving alternative care services in a county with pre-admission screening.

1981 Third Special Session

An appropriation of \$26,500,000 was approved for fiscal year 1982 income maintenance program costs. At the same time, DPW reductions of \$3,004,600 for fiscal year 1982 and \$14,784,400 for fiscal year 1983 were ordered. The AFDC 7 percent grant increase scheduled for July 1, 1982, was delayed until October 1, 1982. Administrative aid to the counties was suspended for fiscal year 1983. The Legislature repealed the language approved by the 1981 First Special Session increasing MA cash and liquid asset limits for determining eligibility to \$10,000 from \$4,000 for a couple in which one person resides in a nursing home or receives alternative care services in a county with a pre-admission screening program.

1982 Regular Session

The 1983 appropriation for welfare activities was reduced by \$7,873,000. Some \$4,373,000 came from replacing state MA dollars with increased federal earnings anticipated from establishing a state hospital per diem rate for each disability, instead of a single rate covering all disabilities. Another \$500,000 MA cut was anticipated by eliminating mandates as recommended by the Governor's task force on health care. An additional \$3,000,000 cut was made in AFDC and GA by delaying 7 percent grant increases until February 1, 1983.

1982 Third Special Session

The DPW appropriation was reduced by \$24,328,000 as follows: central office salaries, supplies and expense, \$435,000; Community Social Services Act, \$12,876,000 by modifying payment dates; Aging Services, \$1,915,000 by modifying payment dates; Medical Assistance, \$5,200,000, through a four percent reduction in provider payments from January 1, 1983, to June 30, 1983; and state hospitals and nursing homes, \$3,902,000, including \$2,800,000 from institutional salaries, \$602,000 from supplies and expense, and \$500,000 from the Rochester State Hospital accounts.

1983 Session

During the 1983 session the Legislature made two appropriations to cover deficits in the DPW income maintenance programs for fiscal years 1982 and 1983. The first appropriation was \$67,844,000, and the second was \$3,440,900, for a total of \$71,284,900.

Total DPW appropriations for the 1983-85 biennium were \$1,545,960,100. Program amounts were: Welfare Management, \$2,676,800; Support Services, \$19,287,200; Social Services, \$137,574,700; Income Maintenance, \$1,037,171,800, and Mental Health (including state hospitals), \$349,249,600.

Income Maintenance

Income maintenance costs include AFDC, \$199,164,100; GA \$76,000,000; MSA, \$24,978,000; MA, \$631,029,700; and GAMC, \$106,000,000. AFDC grant increases of 5 percent were authorized on July 1, 1983, and July 1, 1984. To eliminate double appropriation of state hospital MA costs (both to the MA account and the state hospitals account), all collections received by state hospitals and nursing homes are to be deposited in the MA account rather than the general fund. This allowed a \$276,861,500 reduction in the MA appropriation from what would have been required under the previous appropriations system.

The maximum monthly payment for attendant care was increased to \$1,080 per month effective July 1, 1983, and will be

adjusted annually by the average increases granted to other providers. The Catastrophic Health Expense Protection Program (CHEPP) was suspended during fiscal year 1984. The income disregard previously applied to Social Security payments when determining MA eligibility was extended to Veterans Administration and railroad retirement benefits, provided federal government approval is forthcoming. The percentage of these benefits to be disregarded is set at 23 percent for the last six months of 1983; 25 percent for 1984, and 28 percent for the first half of 1985.

MA and GAMC rate increases for hospitals and other covered providers were limited to 5 percent each year, but the acquisition cost of prescription drug ingredients was exempted from the limit. This also does not apply to nursing homes which have rates established in separate legislation designed to curb nursing home costs by significantly slowing the growth in numbers of nursing home beds and by altering the nursing home reimbursement system. The legislation places a moratorium, with limited exceptions, on the certification of new nursing home beds for MA reimbursement and on level of care changes for existing beds. It limits administrative costs to a percentage of overall costs, based on facility size. It freezes property cost reimbursement for two years while a "rental" concept system is being developed. And it mandates the reimbursement of operating costs according to the case mix of residents in each nursing home, beginning in July, 1985. Until then operating costs are reimbursed according to the 60th percentile, with homes below that point allowed an increase of up to 6 percent and those above the 60th percentile allowed the reimbursement amount for the 60th percentile plus a percentage of the difference between the 60th percentile and their current operating costs, increased by 6 percent each year. Payments to physicians and other providers reimbursed according to usual and customary fees were frozen based on 1979 billings for MA reimbursement and 1978 billings for GAMC. DPW was ordered to develop a prospective hospital reimbursement system and to pay hospitals on a rate per admission basis.

MA asset limits, which have been \$2,000 for a single person and \$4,000 for a married couple, plus additional amounts for prepaid funeral contracts and for life insurance, were consolidated into an overall limit of \$3,000 and \$6,000. A one-time contribution from a spouse who is not an MA client for the support of the spouse who is a client was set at one-third of any non-exempt assets in excess of \$10,000. State law on asset transfers was made identical to federal law.

In a major funding change, Developmental Achievement Center (DAC) service costs for MA-eligible residents of Intermediate Care Facilities for the Mentally Retarded (ICF/MR) will be paid through MA instead of through community social service funds. A moratorium is placed on construction of new ICF/MR beds - capped at 7,500 total beds as of July 1, 1983, and 7,000 beds as of July 1, 1986. DPW will apply for a federal waiver to provide alternative home and community based services for the mentally retarded with MA funding. These services would include case management, family training and support, developmental training homes, supervised living arrangements, semi-independent living services, respite care, and training and habilitation (DAC) services. Clients eligible for these services would be those who would otherwise need to be cared for in an ICF/MR.

The commissioner of public welfare is to develop a new reimbursement rate for ICF/MRs, giving consideration to the recent recommendations of the Legislative Audit Commission and the departmental task force. Rates for DAC services under MA will be the rate negotiated by the county for 1983, raised annually by an amount up to the increase in the Consumer Price Index. A transfer is authorized out of the CSSA appropriation to pay the state share of MA costs for DAC services.

The commissioner of welfare was ordered to establish a prepaid MA demonstration project to determine if prepayment combined with improved management is an effective way to provide necessary health care while containing costs.

Services provided by Medicare-certified rehabilitation agen-

cies and eyeglasses and eye examinations provided by a physician or optometrist were added to GAMC coverage.

The pro rata reductions currently applied to GAMC provider reimbursements were lowered effective July 1, 1984, to 30 percent for inpatient or outpatient treatment of chemical dependency or mental illness; 20 percent for other inpatient hospital services; and 10 percent for other services. Reductions were 45 percent, 35 percent, and 25 percent, respectively.

GA eligibility was restored effective October 1, 1983, to unemployed persons barred from the program during the previous biennium because they possessed marketable skills. These clients will receive a one-month grant and be referred to the Department of Economic Security. Clients may also apply directly to Economic Security, which will provide jobs, or job training, or special allowances not less than a GA grant for clients awaiting placement, or refer clients to DPW if they are certified as unemployable.

Mental Health

The mental health appropriation included \$288,928,700 for state hospital operations and \$31,858,400 to operate the two state nursing homes.

Social Services

Social services funding included \$112,637,300 for the CSSA formula, with 5 percent formula increases on January 1, 1984, and January 1, 1985. Effective January 1, 1984, funds for semi-independent living services for the mentally retarded will be included in the CSSA allocation. For Aged, Blind and Deaf Services, \$13,063,500 was approved. Social Services Support totals \$11,873,900. The appropriations bill begins to move the child care sliding fee program toward a statewide mandated program.

Families currently receiving the service will become entitled to child care help. As additional funding becomes available, other one-parent families meeting program guidelines will become eligible. The appropriation for this activity is \$818,000 each year.

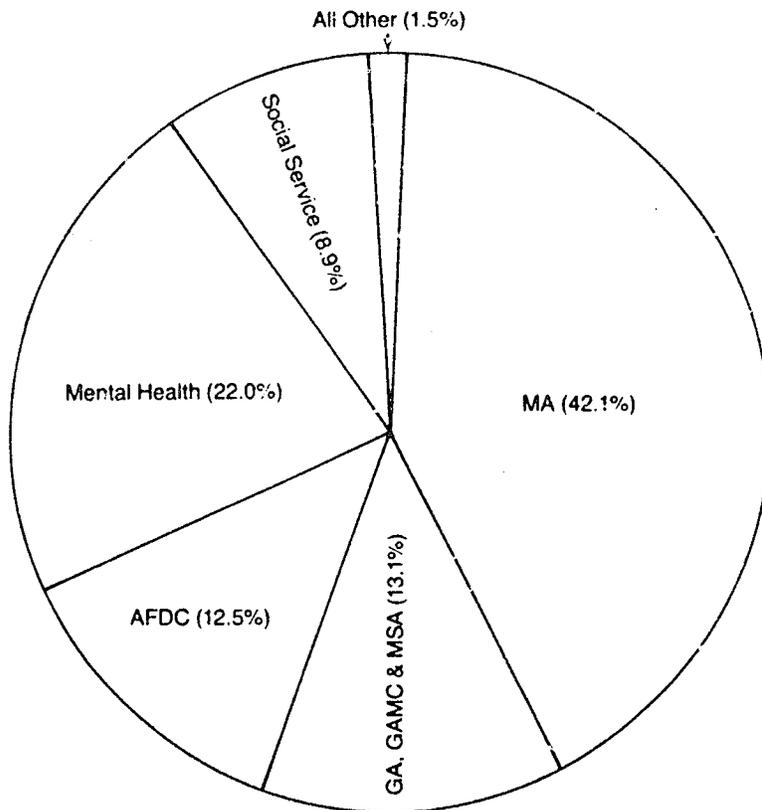
1984 Session

The 1984 Omnibus Appropriations Bill provided \$14,868,700 in additional funds to the Department of Public Welfare, which is renamed the Department of Human Services.

Income Maintenance

The bill appropriated \$7,871,000 to eliminate a deficiency in the GA program. The legislation reduced projected GA costs by restricting student eligibility for GA benefits. The bill provided \$589,000 for the costs associated with MA demonstration projects. That amount includes \$49,000 for two staff positions to oversee the Medicaid Prepayment Demonstration Project and the Social HMO Project and \$540,000 to pay administrative costs incurred by counties participating in the projects. Half of that amount is available only with the approval of the governor after consultation with the Legislative Advisory Commission. \$97,000 was provided to increase the fiscal analysis service staff by two persons, and \$70,000 plus an additional two staff positions were authorized to implement nursing home policies. \$53,000 plus three staff positions were approved to assess the need for federal MA waivers to fund home and community based services for chronically ill children and for disabled adults under the age of 65 who are likely to be institutionalized in the absence of a waiver. If a need for the waivers is documented, the commissioner is directed to apply for them.

WELFARE—\$1,590,999,100



Mental Health

The bill provided \$2,217,000 for grants to counties to upgrade programs in residential facilities serving adult mentally ill persons (Rule 36 facilities). In the chemical dependency area, \$200,000 was made available for American Indian chemical dependency services for women and children; \$200,000 was provided for the Mash-Ka-Wisen treatment facility for American Indians; and \$250,000 was appropriated for the Lakeside Chemical Dependency Center for chronic, elderly chemically dependent persons operated at Ah-Gwah Ching Nursing Home. The department received \$56,700 to prepare a report to the Legislature on the availability in each county of services for the mentally ill. \$45,000 was appropriated for a study of alternative plans to reduce the number of beds in intermediate care facilities for the mentally retarded.

Social Services

To correct an error made in calculating county shares of the federal social services block grant (Title XX) for federal fiscal years 1980, 1981, and 1982, the bill appropriated \$1,666,000 in state funds for those counties that received less than they were entitled to under the formula. An additional \$1,500,000 was provided for the Child Day Care Sliding Fee Program. Parents whose income is at or below 70 percent of the state median income and who are in need of child care services in order to secure or retain employment or to obtain the training or education necessary to obtain a job were added to the list of target groups under the Community Social Services Act. \$50,000 was provided to the department to work with the Public Utilities Commission to develop standards for hearing impaired telecommunications equipment.

Welfare Management

To implement changes in long term care reimbursement, \$64,000 and three additional positions were approved. For nursing home audits, \$70,000 was appropriated and two new staff authorized.

Miscellaneous

The appropriations bill cancelled the \$500,000 state institutions contingent account. Funds are expected to be available in other accounts to cover any contingencies at state welfare facilities. The bill also provided \$250,000 to the State Planning Agency and established an interagency Institutional Care and Economic Impact Planning Board to study the projected displacement of state hospital employees because of deinstitutionalization. The board is directed to prepare a plan to protect the general interests of employees and communities affected by declining state hospital populations.

In other welfare-related legislation, administrative aid to the counties was reinstated effective January 1, 1985, and \$2,000,000 was appropriated for that purpose. \$1,170,000 was provided to pay for adjustments made to the nursing home reimbursement system. \$776,000 was made available to pay for an increase from \$35 to \$40 in the monthly personal needs allowance of MA and Minnesota Supplemental Aid recipients residing in skilled nursing homes, intermediate care facilities, and state hospitals, and for the costs of establishing, on a pilot project basis, citizen review boards for children placed in substitute care. The commissioner was authorized to establish a pilot demonstration project for the treatment of compulsive gamblers, and \$50,000 was appropriated for the project. The Legislative Commission on Long-Term Care was provided \$15,000 for its role in nursing home rule developments and in the study of the impact of state hospital population reductions on employees and communities.

C. Corrections

1981 Regular Session

Corrections Department appropriations totaled \$127,902,000. Major activities are Community Services, \$36,732,900; Community Corrections Act, \$23,515,500; Victim Services, \$4,888,000; and Correctional Institutions, \$82,736,900. Program totals were subject to percentage reductions to remain within overall budget limits. The institutional appropriation included a \$1,500,000 subsidy to the prison industry program and directions to phase down the farm machinery industry at Stillwater State Prison and redirect the program towards light industry operations. The commissioner of corrections was authorized to enter into an agreement to house Wisconsin inmates in Minnesota correctional facilities. The commissioner was directed to open the new facility at Oak Park Heights by February 1, 1982.

1981 Third Special Session

The Department of Corrections budget was decreased by \$699,500 for fiscal year 1982 and \$1,627,500 for fiscal year 1983.

1982 Third Special Session

A \$500,000 cut was made in the Department of Corrections budget. Community Corrections Act subsidies were reduced by \$200,000, and prison industry subsidies were cut by \$300,000.

1983 Session

A \$157,459,100 appropriation was made for Department of Corrections activities. The major portion of the budget, \$109,516,400, goes for operating correctional institutions. Other departmental

activities are Management Services, \$3,753,500; Policy and Planning, \$2,873,800; and Community Services, \$41,315,400, divided between support activities, \$17,223,300, and Community Corrections Act, \$24,092,100.

The department was ordered to evaluate the possibility of encouraging a private firm to construct a new women's prison at Shakopee to be leased by the state and eventually purchased. (The bonding bill provided \$500,000 to develop final plans and \$14,500,000 for construction in case this option is rejected.) The law continues to allow Minnesota prison officials to house Wisconsin inmates, with the earnings to be used to help finance operations at Stillwater, Oak Park Heights, and St. Cloud. Payments under the Community Corrections Act were changed from advances to reimbursements, providing the state a one-time savings.

The Legislature increased the marriage dissolution fee from \$35 to \$55 and the marriage fee from \$30 to \$40, with the added funds to be used for services for battered women, administered by the Department of Corrections, and displaced homemakers, administered by the Department of Economic Security.

1984 Session

The Department of Corrections was appropriated \$137,700 to fund probation and parole services for Sibley, McLeod, and LeSueur counties. The commissioner is mandated to provide these court services when requested by counties. Counties are billed for services. An additional \$15,000 was provided for Crime Victims Crisis Centers.

D. Health

1981 Regular Session

Minnesota Department of Health appropriations totaled \$48,467,100, divided among three programs--Preventive and Personal Health Services, \$16,706,000; Health Systems Quality Assurance, \$3,752,800; and Health Support Services, \$28,535,400. Program totals were reduced by \$527,100 to stay within the overall limit.

1981 Third Special Session

The Minnesota Department of Health budget was reduced by \$1,588,000 in fiscal year 1982 and \$788,800 in fiscal year 1983.

1982 Regular Session

The 1983 Department of Health appropriation was reduced by \$750,000. A \$1.4 million appropriation for the Cloquet water filtration system, cancelled by the 1981 Third Special Session, was reinstated.

1982 Third Special Session

The Department of Health budget was reduced by \$1,528,000. Community health service funds were reduced by \$143,000, and \$250,000 was allocated for a general departmental reduction. \$1,135,000 of the amount appropriated for the Cloquet water filtration system was cancelled. \$650,000 was appropriated for that project instead.

1983 Session

Appropriations to the Minnesota Department of Health totaled \$49,688,500, including: Preventive and Personal Health Services, \$18,032,300; Health Systems Quality Assurance, \$3,878,500; and Health Support Services, \$27,777,700, divided between General Support, \$6,776,200, and Community Health Services subsidies, \$21,001,500. The commissioner of health was authorized to enter into an agreement with the city of Brainerd to provide an alternative dental health plan. If the commissioner, in consultation with the governor, approves the plan, and

the city implements it, Brainerd is exempt from the requirement to fluoridate its municipal water supply for the duration of the agreement.

The commissioner was ordered to study and evaluate the effect of lead exposure on the health of children and report to the Legislature by February 1, 1984. The Community Health Services subsidy was increased by 5 percent each year of the biennium. Payments were changed from quarterly advances to monthly reimbursements.

Recipients of Maternal and Child Health grants for special projects in fiscal year 1983 were continued through September, 1985, if they comply with grant requirements. Cuts in federal funds will be spread proportionately. Increase in federal funds will go to services for children with handicaps and special projects serving high risk populations. Ten percent may be retained by the commissioner to cover increased costs. Priority for at least half of any increased federal funding will be given to grant applications for special projects located outside the metropolitan area.

1984 Session

The Department of Health received \$93,000 to determine the feasibility of full-scale epidemiologic studies related to health effects of contaminated drinking water in New Brighton and St. Louis Park. The department was authorized temporary positions for the study, and was directed to contract for services with the University of Minnesota to the extent possible. \$100,000 was appropriated to reinstate the credentialing program for the human service occupations. The department also received \$698,000 to extend the Quality Assurance and Review process to private pay nursing home patients. Data on private patients is needed to implement the case mix reimbursement system mandated by the 1983 Legislature and scheduled to take effect July 1, 1985. For data processing costs associated with compiling the additional detail required on reports of dissolution and annulment of marriage, the department received \$10,000.

E. Veterans Affairs

1981 Regular Session

The Veterans Affairs Department received an appropriation of \$17,543,100, including \$10,089,100 for the operations of the Minneapolis Veterans Home and \$3,339,300 for the Hastings Veterans Home. The department was directed to review the ratio of direct to indirect resident care positions at the Hastings facility and reassign staff positions to achieve the ratio recommended by the Department of Administration's management study. The commissioner was directed to study the long-term health care needs of veterans and prepare recommendations on further capital construction by January 1, 1982.

1981 Third Special Session

The Veterans Affairs Department budget was reduced by \$158,900 for fiscal year 1982 and \$166,300 for fiscal year 1983. Reductions in direct patient care positions at the veterans homes were prohibited.

1982 Regular Session

An appropriation of \$62,500 was given the Veterans Affairs Department to establish an Agent Orange information and assistance program. The program includes providing veterans with information regarding scientific studies, monitoring and reporting on United States government activities, referral to other appropriate resources, limited studies on the effects of Agent Orange, and genetic counseling.

1982 Third Special Session

The Veterans Affairs Department budget was reduced by \$445,000.

1983 Session

Appropriations for the Department of Veterans Affairs totaled \$20,990,100. Funding for Veterans Benefits and Services is \$4,533,600. This appropriation includes \$1,938,100 each year for emergency financial and medical needs of veterans, with a six month limit on assistance unless the recipient is certified ineligible for other benefit programs. It also includes \$37,800 the first year and \$38,500 the second year for war veterans and war orphans education aid. The Veterans Home in Minneapolis was appropriated \$12,233,400. By January 1, 1984, the commissioner is required to report to the Legislature on the cost effectiveness of seeking MA certification for the Minneapolis nursing care building. The appropriation for the Veterans Home in Hastings is \$4,114,500, and \$8,600 was appropriated for the Big Island Veterans Camp.

1984 Session

To convert Building 16 at the Minneapolis Veterans Home to nursing care, the department was appropriated \$1,051,300. Staff was increased to upgrade care at the facility. The department was instructed to formalize by September 15, 1984, an ongoing patient review process which assesses the appropriate level of

care needed by each resident. The department must attempt to incorporate the components of the patient utilization review process required under Medical Assistance, and was directed to survey state hospitals and other public and private hospitals to determine the number of empty beds potentially suitable for vet-

erans needing nursing care. The department is required to report to the Legislature by January 1, 1985, on the results of the survey and on recommendations for possible bed conversions. \$140,000 was provided for emergency financial and medical needs of veterans.

F. Transportation

1981 Regular Session

The transportation bill passed by the 1981 Legislature raised \$156,500,000 in new revenue for highway construction and maintenance by increasing both motor vehicle and drivers' license fees and by increasing the gas tax by two cents - from 11 cents to 13 cents a gallon. In addition, the bill appropriated \$50,800,000 from the General Fund for the operation of mass transit for the 1981-83 biennium.

Highways

The \$156,500,000 in new revenue included an estimated \$78,000,000 from the two cent gasoline tax increase; \$71,070,000 in new license fees; and \$7,470,000 from the Transportation Department's 90 percent share of the drivers' license fee increase.

License plate fees were increased across the board, and basic drivers' license fees were increased from \$5 to \$10.

Other drivers' license rates adopted were: Class B, \$15; Class C, \$20; Classified Provisional Class C, \$6; Class B, \$10; Duplicates, \$3; Instruction Permit, \$4; and Identification Card, \$6.

The new revenue is directed to the Highway User Tax Distribution Fund to be distributed, with existing funding, by constitutional formula - 62 percent to the state trunk highway fund (\$97,000,000); 29 percent to the county state-aid highway fund (\$45,500,000); and nine percent to the municipal state-aid street fund (\$14,000,000).

Bonding

The 1981 session passed a highway bonding bill to authorize the sale of \$98,000,000 for interstate highway improvement and bridge replacement. This money and other available state funds were expected to generate \$800,000,000 in highway improvement and bridge replacement work.

Other Highway

Another provision of the 1981 bill called for the transfer of motor vehicle excise tax revenues from the General Fund to the Highway Users Tax Distribution Fund and a newly created state-wide transit assistance fund scheduled to begin in July, 1983.

The switch was scheduled to take place over eight years with 75 percent of the money going into the highway fund and 25 percent into the transit fund.

The 1981 session also appropriated:

\$125,000 from the trunk highway fund for continuation of ride-share van pool and car pool programs for two years; and

\$2,059,000 for construction of equipment storage buildings at Aitkin, Grygla, Mendota Heights, and Redwood Falls.

Mass Transit

The 1981 session appropriated \$50,800,000 for mass transit from the General Fund. \$26,700,000 was appropriated to the Metropolitan Transit Commission (MTC) for operating subsidies and social fare reimbursements. Outstate transit systems received a \$12,500,000 operating subsidy appropriation and Metro Mobility, the door-to-door transit service for the handicapped, received \$9,200,000. Private transit operators in the metropolitan area were scheduled for an operating subsidy of \$1,900,000 and the Twin Cities- to-Duluth Amtrak service received \$200,000.

The 1981 session also doubled the property tax levying authority for bus services in Duluth and Moorhead. (The Duluth levy authority went to three mills and the Moorhead levy to two mills.)

Railroads

The 1981 session passed bonding authority of \$13,500,000 in a strategy to help avoid rail abandonment. The money would be used in conjunction with railroad money to improve and revamp right-of-ways to keep them open.

1981 Third Special Session

The Third Special Session cut \$5,169,200 out of the transportation budget - the bulk of it out of transit operations.

Mass Transit

The operating subsidy for the Metropolitan Transit Commission was reduced by \$2,400,000. Further, social fare reimbursements to the MTC were reduced by \$688,000. The Legislature directed the agency to reduce its support staff by 50 positions by July 1, 1983.

Further transit cuts included:

\$260,000 from the subsidy fund for private transit operators in the metropolitan area; \$1,600,000 from the subsidy fund for outstate transit operators; \$37,200 from the public transit capital grant program; and \$20,000 from the public transit study fund.

Other Transportation

The session cut \$308,000 of reimbursements from the General Fund to the Trunk Highway Fund, and reduced by \$124,000 the appropriation for the Rail Service Improvement Grants program.

1982 Regular Session

The Legislature at that session passed a proposed constitutional amendment on trunk highway fund bond financing to be placed on the general election ballot in November, 1982.

The amendment would eliminate the \$150,000,000 borrowing limit for that purpose and would repeal the constitutional provision that allowed a maximum interest of five percent on trunk highway bonds. (The amendment was subsequently adopted by the voters.)

In another action that session, the Legislature appropriated \$200,000 as a subsidy for the Amtrak operation of the Duluth-Twin Cities line.

1982 Third Special Session

This session reduced appropriations for the Department of Transportation by \$2,595,000 - all of the cuts in the mass transit area.

Specifically the cuts were:

Reduction of the social fares reimbursements, \$1,300,000;

Reduction of the Metropolitan Transit Commission subsidy, \$595,000;

Reduction of outstate transit subsidies, \$500,000; and

Reduction of public transit capital grants, \$200,000.

1983 Session

The 1983 session originally provided \$1,603,766,900 for transportation purposes, then reduced that amount by \$6,443,000, for a net appropriation of \$1,597,323,900.

A major financing change was made by increasing the gasoline tax from 13 to 17 cents per gallon. This was estimated to raise \$142,000,000 over the biennium.

Public transit appropriations netted out at:

Project Mobility	\$9,472,000;
MTC Operating Subsidy	\$11,196,600;

Social Fare Reimbursements \$9,975,000;
 Private Operators, metro \$1,930,200;
 Non-MTC statewide \$10,188,400.

The Legislature also appropriated \$125,000 to continue Project Ride-Share and created the Transportation Regulation Board with the transfer of four positions from the Public Utilities Commission and one from the Department of Transportation and an appropriation of \$750,200.

In the Capital Improvement budget the Legislature appropriated: \$3,227,000 for central shops; \$313,000 for a chemical storage shed; \$244,000 for a truck station at East Grand Forks; \$229,000 for a truck station at Henning; \$325,000 for equipment storage at Mapleton; \$670,000 for equipment storage at Grand Rapids; \$909,700 for the Rum River Rest area; \$620,000 for the Split Rock Rest area; \$980,000 for a Golden Valley office addition; and \$925,000 for Morris maintenance headquarters.

1984 Session

During the 1984 legislative session, the Department of Transportation received slightly more than \$85,300,000 in additional appropriations. Nearly 60 percent of that amount, \$50,950,000, resulted from a transfer of 25 percent of the motor vehicle excise tax collections from the general fund into dedicated highway and transit funds. The transfer is to be increased based on the following schedule:

Fiscal Years	Percentage Transferred To:		
	Highway User Fund	Transit Assistance Fund	Total
1985 - 1987	18.75%	6.25%	25%
1988 - 1989	37.5	12.5	50
1990 - 1991	56.25	18.75	75
1992 and after	75	25	100

The legislation creates the transit assistance fund and requires that 80 percent of the fund be distributed to recipients in the met-

ropolitan area and the remaining 20 percent to recipients outside the metro area.

Services eligible for assistance include the following:

- (1) public transit;
 - (2) light rail transit;
 - (3) commuter van, car pool, ride share, and park and ride;
- and
- (4) other services which further the statutory purposes of transit assistance and management.

In fiscal year 1985, the transit assistance appropriation totals \$12,600,000. The commissioner of transportation is given authority to use the entire metropolitan share, \$10,100,000, on the planning and design of light rail transit in the Hiawatha, University, and Southwest corridors.

The highway user fund portion of the motor vehicle excise tax transfer is appropriated as follows:

Trunk highway development \$23,500,000
 County state aids 11,300,000
 Municipal state aids 3,400,000

An additional \$26,300,000 was appropriated for trunk highway development, but that appropriation will be funded by federal highway aid.

An additional appropriation of \$6,500,000 was made for expanded engineering services, in addition to a \$1,000,000 appropriation to cover a maintenance deficiency.

A major restructuring of the Metropolitan Transit Commission (MTC) also took place during the 84 session, separating policy making responsibilities from the actual operation of the transportation system. The new policy board, the Regional Transit Board (RTB), will consist of nine members responsible for transit planning and contracting providers to supply transit services in the metropolitan area.

The MTC will be reduced to three members and will be responsible for the selection of a management company, on a competitive bid basis, for operation of regular route service.

G. Energy and Housing

ENERGY

1981 Regular Session

The 1981 Legislature appropriated \$3,980,600 for the biennium to the Energy Division of the newly merged Department of Energy, Planning and Development. Specific appropriations were:

- \$300,000 for district heating preliminary planning grants;
 - \$200,000 for the superinsulated home demonstration project.
- \$200,000 designated for the general support of the newly merged agency (Energy, Planning and Development).

The session also authorized the issuance of \$50,000,000 in bonds for district heating. The funds were appropriated in the following manner:

- \$43,170,000 for loans to municipalities;
- \$2,700,000 for the Capitol Complex and the Economic Security building;
- \$1,200,000 for loans to northern Minnesota school districts to convert heating systems to wood chips;
- \$2,500,000 to install district heating at Moorhead State University;
- \$400,000 to the Vermillion Community College for fuel wood conversion.

Other energy related bonding included the authorization for three Minnesota cities (Duluth, Minneapolis and St. Paul) for home energy conservation. The amounts allowed for each of the cities are as follows:

- \$3,000,000 for the city of Duluth in mortgage revenue bonds for supplies and service to homeowners for weatherization;
- \$8,500,000 for the city of St. Paul in mortgage revenue bonds;
- \$16,000,000 for the city of Minneapolis in mortgage revenue bonds.

The Legislature also established the Energy Policy and Development Council to advise the Commissioner of Energy, Planning and Development. The council includes 15 members

Fuel Assistance

The 1981 session appropriated \$3,050,000 for fiscal year 1982 to match federal funds for low-income energy assistance

Weatherization

The session appropriated \$10,000,600 for the low-income weatherization program, to be used along with federal funds.

1981 Third Special Session

The Legislature cut \$1,667,700 from the Department of Energy, Planning and Development. There were no specific cuts for the Energy Division or specific energy programs. The Legislature also cut \$319,000 from the weatherization program and the entire \$3,050,000 appropriation for energy assistance (the funding was not necessary for matching grants).

1982 Regular Session

The 1982 Legislature changed the definition of a large energy facility for the certificate of need required from the Commissioner of Energy, Planning and Development. The minimum capacity for an electricity generating plant was raised from 50 megawatts to 80 megawatts. Also, petroleum storage facilities, coal transfer facilities, petroleum refineries, and ethanol and fuel alcohol plants were exempted from the certificate of need.

The Legislature also transferred \$25,000 to the Energy Division from the State Building fund for a study being conducted on waste energy for the St. Cloud Reformatory.

1982 Third Special Session

This session reduced the Department of Energy, Planning and Development appropriation for fiscal year 1983 by \$358,000. There were no specifics on the cuts to the Energy Division. The Legislature also cut \$265,000 from the weatherization program.

1983 Session

The 1983 Legislature appropriated \$5,826,100 for the biennium to the Energy Division in the new Department of Energy and Economic Development. Specific appropriations were:

\$100,000 for energy audit development for multi-family and commercial buildings;

\$100,000 for energy audit interpretation;

\$300,000 for matching grants to be used for planning and development of district heating systems;

\$80,000 for administration of the district heating grant program;

\$68,000 for the steam trap survey;

\$60,000 for energy management training which includes the training of 800 building operators;

\$130,000 for the superinsulated home project; and

\$82,500 for the building energy research center.

The Legislature also authorized the issuance of revenue bonds for the Energy Development fund and appropriated \$1,800,000 to the reserve account for the fund. Further, it created the Energy Loan Insurance fund with an appropriation of \$7,500,000. The Energy Loan Insurance fund will become a revolving fund to be used for encouraging the financing of energy development projects.

Energy Conservation

The 1983 Legislature appropriated \$7,600,000 for the weatherization program to be used with federal funds that are designed to assist low income persons.

The Legislature also amended the statutes on investments by public utilities in energy conservation improvements. The major changes are:

- at least one program in renewable resources must be developed;

- any public utility with revenues in excess of \$50,000,000 shall have at least one program;

- special consideration must be given to low income families and individuals and renters.

Energy improvement loans were set up by the 1983 Legislature and \$5,000,000 was appropriated to the Minnesota Housing Finance Agency. The loans can be made to families and individuals to improve home energy efficiency without an income limitation when the agency determines that other financing is not available.

School Energy Conservation

The 1983 Legislature authorized the issuance of \$30,000,000 in general obligation bonds for energy conservation loans to school districts. This session also appropriated from the general fund to the Department of Energy and Economic Development programs the following amounts:

\$579,300 for administration of the energy conservation program; and

\$500,000 for cost-share audit revision services to the school districts.

Peat Development

The 1983 Legislature appropriated \$4,357,400 for peat management and research for the biennium, divided into these appropriations:

\$2,557,400 for peat management to the Department of Natural Resources, of which \$2,000,000 is for peat development and \$500,000 is for a detailed peat survey and environmental monitoring;

\$1,500,000 for the peat demonstration project to the Iron Range Resources and Rehabilitation Board from the 2002 Economic Protection Trust Fund; and

\$300,000 to the Department of Energy and Economic Development for bioenergy research into biomass production on peat.

1984 Session

This session appropriated \$920,600 for alternative energy project activity within the Department of Energy and Economic Development. Specific appropriations included:

\$150,000 for alternative energy technical activity; \$218,000 for community energy councils; \$146,000 for rental energy standard enforcement; \$100,000 for an optimal low-income weatherization study; \$81,500 for a wind resource assessment program; and \$50,000 for study and adoption of fiber fuel standards.

The Legislature also appropriated \$1,000,000 to the Department of Economic Security to expand the low-income weatherization program beyond what the federal money allows. If the federal grant is higher than expected, the state appropriation is reduced.

The Legislative Commission on Energy received an appropriation of \$20,000 and an expansion of its duties. The commission was mandated to review all plans for the expenditure of federal money for energy programs and report by January 1, 1986, on the state programs of energy audits for residential and commercial buildings.

The session made several changes related to district heating. The municipal district heating loan program was expanded to include other qualified energy improvements. \$279,000 was appropriated for the initial deposit required for state bonds with the Department of Finance. Also, authorization was given to use the energy loan fund for bond expenses under the district heating and qualified energy improvement loan program. In other actions, the Legislature allowed port authorities to own and operate district heating facilities; authorized cities with over 50,000 population to have the same powers as a city of the first class in owning and operating a district heating facility; exempted hot water heat to residential customers from the sales tax (similar to gas and electricity used for heating); and exempted district heating facilities owned and operated by nonprofit corporations from property taxes.

The 1984 Legislature also waived property taxes for hydroelectric and hydromechanical power facilities that have a capacity of 15,000 kilowatts or less, when the facility is leased from a unit of state or local government.

HOUSING

1981 Regular Session

This session appropriated \$21,587,300 to the Minnesota Housing Finance Agency for the biennium. The appropriation included:

\$3,500,000 for grants and loans for affordable housing; \$14,407,300 for loans and grants for rehabilitation of housing for low and moderate income citizens and the homeownership assistance fund; \$3,400,000 for housing for American Indians; and \$200,000 to administer grants and loans to sponsors and builders of 3 and 4 bedroom multi-unit residential housing for low and moderate income Minnesotans with large families.

1981 Third Special Session

The Legislature cut \$2,500,000 from the Housing Finance Agency appropriation.

1982 Regular Session

The Legislature reappropriated \$1,600,000 from the 1981 appropriations to the agency from the Homeownership Assistance fund to the Housing Development fund. This allowed the agency to issue \$41,000,000 in mortgage revenue bonds for the construction of low and moderate income apartments under the federal Section 8 program.

The Legislature also reappropriated \$200,000 from the 3 and 4 bedroom multi-unit residential housing program to the Housing Development fund for financing multi-unit residential housing.

1983 Session

The Legislature appropriated \$23,450,000 to the Housing Finance Agency for housing programs for low and moderate income Minnesotans in fiscal years 1984 and 1985.

The appropriation included \$3,000,000 for tribal Indian housing programs; \$6,000,000 for home improvement loans; \$6,000,000 for rehabilitation loans; \$200,000 for innovative multifamily housing; \$750,000 for Vietnam veterans downpayment assistance; \$5,000,000 for energy conservation rehabilitation loans; and \$2,500,000 for energy efficiency loans for rental housing.

The session also unappropriated \$6,280,000 of the agency's appropriation for fiscal year 1983. Of that, \$2,280,000 came from the affordable housing appropriation and \$4,000,000 from the appropriation to finance housing rehabilitation loans.

1984 Session

The 1984 Legislature appropriated \$2,500,000 to the Housing Finance Agency for the tribal and urban Indian housing pro-

grams. Specifically, the tribal program received \$1,750,000 and the urban program \$750,000. The urban Indian housing program requires that private or other non-state sources of funds be used along with the state appropriation.

The Legislature also appropriated \$500,000 for a temporary housing demonstration project which will provide temporary housing on a 24-hour continuous basis for dislocated individuals and families. Of the total, \$250,000 was appropriated to the Housing Finance Agency for construction grants and \$250,000 to the Department of Economic Security for operation and support. Operation and support services grants can be made directly to recipients or to community action agencies.

In other action, the Legislature prohibited the imposition of rent control except by referendum, clarified how energy inspections are handled for public housing owned by a Housing and Redevelopment Authority, and imposed a system of enforcement and fines on rental housing operators for noncompliance with energy efficiency standards.

H. Employment

ECONOMIC SECURITY

1981 Regular Session

Total Economic Security Department appropriations for the biennium were \$50,680,700. Major appropriations included \$11,764,300 the first year and \$12,819,500 the second year for Vocational Rehabilitation Services, and \$11,757,500 the first year and \$7,103,500 the second year for Training and Community Services. That activity includes weatherization, fuel assistance, community action agencies, and the displaced homemaker program. As with the DPW appropriation, the individual budget components were subject to a percentage reduction to stay within the overall appropriation.

1981 Third Special Session

A budget reduction of \$4,719,300 was ordered for fiscal year 1982, composed of a \$4,189,400 cut in training and community services (with the displaced homemaker and summer youth programs exempted from cuts), and \$529,900 in vocational rehabilitation.

1982 First Special Session

This session was called to meet federal requirements in the unemployment compensation law and because a bill on this issue was vetoed. Money was allocated to pay interest on loans made from the federal government to pay unemployment compensation benefits and some changes were made in the taxing and eligibility systems.

1982 Third Special Session

The Department of Economic Security budget was cut by \$546,000. The vocational rehabilitation program was cut by \$188,000. A \$265,000 reduction was made in weatherization, and \$93,000 was cut through a general reduction.

1983 Session

Appropriations to the Department of Economic Security totaled \$139,040,600, including: Jobs Program, \$70,000,000; Special Allowances, \$19,000,000; Job Service, \$7,769,800; Vocational Rehabilitation Services, \$31,491,400; Training and Community Services, \$10,229,400; and Program and Management Support, \$550,000.

The jobs program—the "Minnesota Emergency Employment Development Act" (MEED)—was made available to unemployed persons who have been Minnesota residents for one month, are not receiving unemployment compensation or workers' compensation, and are determined to be employable. Priority was given to applicants in households with no other income and to

those who would otherwise be eligible for GA. A subsidy of up to \$4 per hour for wages and \$1 per hour for fringe benefits was made available for up to 26 weeks of work in eligible public or private sector jobs. Employers can supplement these amounts. Private employers must pay back 70 percent of the subsidy if the client is not employed beyond the six-month subsidy period. No payback is required if the worker is retained for one year beyond the initial six months. A prorated payback is required for employment lasting longer than six months and less than 18 months. Ninety percent of the appropriation was to be distributed throughout the state based on unemployment rates, with 10 percent distributed at the discretion of the jobs coordinator appointed by the governor. Special allowances were to be paid to MEED program participants awaiting placement, at the GA grant level.

Of the appropriation for the fiscal year 1984 summer youth program, \$750,000 was made available before July 1, 1983, to pay for the first part of the summer. Long term sheltered workshops funded through Economic Security were required to provide formalized grievance procedures, personnel benefits, and wages proportionately commensurate with prevailing wages in the vicinity. A \$550,000 appropriation was made for the Twin Cities Opportunities Industrialization Center for job training and related services, including recruitment, counseling, motivational pre-job training, job development, and job placement for disadvantaged persons.

1984 Session

An appropriation of \$50,208,600 to the Department of Economic Security included increasing the amount available for MEED job subsidies by \$30,000,000. The special allowances appropriation (paid to job applicants awaiting placement) was increased by \$19,830,000. Allowance payments will end on December 31, 1984. None of the additional jobs subsidy money may be encumbered after May 31, 1985. Projected allowance payments were reduced by \$170,000 by restricting student eligibility. In addition, the Legislature made changes in MEED program delivery. Some of the major changes are: (1) farmers residing in a county under Federal Disaster Relief are eligible for the job subsidy, (2) 15 percent of the allocation to service delivery areas with lower than average unemployment will be reallocated to those areas (with lower than average unemployment) that had outstanding performance in placing persons eligible for general assistance, (3) 10 percent of the total job subsidy funding will be allocated to high unemployment areas beyond their regular allocation, and (4) the target for private sector job placement was increased from 40 to 60 percent.

The department received an appropriation of \$250,000 to es-

establish a Temporary Housing Demonstration Program to provide housing on a 24-hour continuous basis for up to six months to needy individuals (see Housing, 1934 Session). To provide vocational rehabilitation services for injured workers, the department received \$128,600. In other legislation affecting the department, the commissioner was directed to recommend to the legislature by March 1, 1985, a new allocation formula to fund sheltered workshops and work activity programs. The programs will be evaluated taking into account such factors as wages and benefits paid, rate of placement in competitive employment, and other variables. The new system must be used in making allocations for fiscal years beginning after June 30, 1986. For the costs of this project the department received \$51,000.

WORKERS' COMPENSATION

1981 Regular Session

The 1981 session of the Legislature made a number of changes in the Workers' Compensation Insurance law—most of them administrative in nature.

The 1981 bill set up a schedule for deregulating the state rate-making process with full deregulation scheduled for January 1, 1986. The Legislature also adopted legislation mandating the discounting of reserves for the rate-making process; reassigning the risk plan from the Insurance Rating Association to the Commissioner of Insurance; and transferring the Compensation Judges from the Department of Labor and Industry to the Office of Administrative Hearings.

The appropriation for the Workers' Compensation bill was \$1,557,680—of which \$550,000 was for computerization of workers' compensation records.

1981 Third Special Session

The session reduced the appropriations for workers' compensation by \$256,600, with \$227,600 of the cut made in the Office of Administrative Hearings.

1983 Session

The Legislature passed two major pieces of workers' compensation legislation—a state competitive fund and a major revamping of the administrative system and the permanent partial benefit schedule.

The state fund—the first such fund created in about 50 years—is operated by a seven member board named by the Governor. \$5,600,000 in board start-up costs will be repaid out of premiums over a 10 year period. The board will determine when to begin to provide workers' compensation insurance.

Highlights in the other workers' compensation law passed in 1983 were:

Deregulation of rates effective January 1, 1984;

A requirement prohibiting the Commissioner of Insurance from granting a rate increase;

And a new two-tier system to compensate employees with permanent partial disabilities. One tier is impairment compensation and the other tier is economic recovery compensation. The impairment award has the lower benefit of the two. It applies when an employer offers a suitable job to an injured employee with a permanent partial disability.

If the job is accepted, impairment compensation is paid in a lump sum within 30 days of returning to work. If the job offer is refused, temporary total benefits stop, but identical payments are paid to the employee from the impairment award until the award is exhausted or until the injured employee returns to work. Upon his return to work, the employee receives what is left of the impairment award in a lump sum.

The impairment award has no relation to the employee's wages at the time of injury. Injured employees will be entitled to the same award regardless of their pre-injury earnings.

Economic recovery compensation, on the other hand, is based on the injured employee's pre-injury wages. It is the higher award in the two-tier system and is paid only if no job offer is made to the injured employee.

Here is a comparison of the two awards between two employees with identical 10 percent disabilities and with identical pre-injury wages.

Earnings per Week	Impairment Compensation	Economic Recovery Compensation
\$200	\$ 7,500	\$ 9,000 (minimum 120 percent of impairment award)
\$300	\$ 7,500	\$12,000
\$435	\$ 7,500	\$17,400

Here is a comparison of two awards between employees with 40 percent disabilities and identical wages.

Earnings per Week	Impairment Compensation	Economic Recovery Compensation
\$200	\$36,000	\$43,200 (minimum 120 percent of impairment award)
\$300	\$36,000	\$57,600
\$435	\$36,000	\$83,520

The law also called for a study of the impact of the two tier system on small business premium rates and an actuarial study of the regional occurrence in litigation to determine whether rate differentials are warranted between the seven-county metropolitan area and the rest of the state.

The 1983 session made a number of appropriations for Workers' Compensation and a \$100,000 cut in a 1981 session appropriation for computerization of records.

The Legislature authorized an increase of 105 employees for workers' compensation—two of them federally funded and 19 positions funded from the Special Compensation fund. Ninety new positions were allocated to the Department of Labor and Industry; two positions for the Office of Administrative Hearings; seven positions for the insurance division of the Department of Commerce; and six positions were allocated to the Office of Attorney General.

The 1983 appropriations for Workers' Compensation were:

Department of Labor and Industry, \$10,403,900; Workers' Compensation Court of Appeals, \$764,400; Office of Administrative Hearings, \$2,842,400 (all in the appropriations bill); \$4,089,900 for administration in the Department of Labor and Industry; \$1,312,500 for state agency premiums to the Reinsurance Association; \$1,260,800 for administration to the Department of Labor and Industry; \$171,700 for the Office of Administrative Hearings; \$460,500 for the Insurance Division of the Department of Commerce; \$406,400 for the Attorney General's office staff to handle Workers' Compensation law duties; and \$125,600 for the new State fund (all in the Workers' Compensation reform bill).

UNEMPLOYMENT COMPENSATION

1982 First Special Session

This special session was called to enact unemployment compensation legislation that would enable the state to pay interest on money borrowed from the federal government to pay unemployment benefits. In addition to authorizing interest payment, the 1982 law made significant changes in unemployment taxes and benefits. It increased the taxable wage base from \$8,000 to 60 percent of the statewide average annual wage for those employers with experience ratings equal to or greater than .1 percent.

It increased the limit that a large employer's unemployment compensation tax rate could rise or fall in any year after 1982 from 1.5 percent to 2.5 percent. On the benefit side, it capped maximum weekly benefits at \$184 in 1982, \$191 in 1983, and \$198 in 1984.

It also increased the minimum weekly wage required to obtain a "credit week" from \$50 to 30 percent of the state average weekly wage and excluded from benefits all employees with salaries equal to or greater than three times the average weekly wage.

1983 Session

The Legislature made a number of changes in Minnesota's unemployment compensation law. Many of the changes were necessitated by the existence of an unemployment compensation fund deficit in excess of \$300,000,000 and by amendments in the federal unemployment compensation law.

A 10 percent surcharge based on the amount of state unemployment tax paid or due in 1982 and 1983 and payable in 1983 and 1984 was imposed on Minnesota employers. The \$22,000,000 raised each year by the surcharge was dedicated to pay the interest due on money borrowed from the federal government in 1982 and 1983 to pay unemployment compensation benefits.

The Legislature also extended the summer-time denial of benefits to employees of contractors hired by school districts (given those employees have a reasonable assurance of employment

in the fall); repealed a section of the Minnesota law which excluded from benefits those persons with salaries equal to or exceeding three times the state average weekly wage; and mandated total disqualification and cancellation of wage credits for those persons discharged for gross misconduct.

1984 Session

One of the major pieces of legislation considered during the 1984 session was an unemployment compensation compromise bill negotiated by the Economic Security Advisory Council. The bill called for various tax increases and benefit cuts and was designed to pay off the \$400 million federal unemployment compensation loan by 1986, thus saving Minnesota employers two years of punitive Federal Unemployment Tax Act taxes. The bill passed the Senate but failed in the House.

I. Commerce

1981 Regular Session

Commerce Department appropriations totaled \$13,528,300. Major activities were Supervision of State Chartered Financial Institutions, \$4,438,000; Investment Protection, \$2,023,000; Consumer Services, \$2,212,300; Regulation of Insurance Companies, \$3,421,900; and General Support, \$1,764,900. The law required that general reductions totalling \$331,800 be applied by the Department to those activities.

1981 First Special Session

The Commerce Department complement was cut by three positions each year of the biennium, but appropriations were not reduced.

1981 Third Special Session

Budget reductions of \$318,900 in fiscal year 1982 and \$380,100 in fiscal year 1983 were approved for the Commerce Department.

1982 Regular Session

The Commerce Department received a \$100,000 decrease in appropriations for fiscal year 1983. The Department of Administration was required to develop a reorganization plan for the Commerce Department.

1983 Session

Commerce Department appropriations for general operations and

management totaled \$15,032,200. Major activities were Supervision of State Chartered Financial Institutions, \$5,211,100; Investment Protection, \$2,263,500; Regulation of Insurance Companies, \$4,085,800; and General Support, \$1,377,900. The appropriation also included \$2,093,900 for Consumer Services, which was renamed Consumer Affairs and transferred to the Office of the Attorney General.

Other special appropriations for the Commerce Department included \$787,300 for the transfer of the Unclaimed Property function to the department from the State Treasurer; \$459,900 to the Insurance Division for administration of the workers' compensation fund; and \$60,000 for a continuing insurance education advisory task force.

Major restructuring of the department was required by the 1982 Legislature. Four commissioner positions and the Commerce Commission were replaced by a single Commissioner of Commerce, with four deputy commissioners organized functionally rather than topically. The department complement was reduced by six additional positions, saving a total of \$376,800 for the biennium.

1984 Session

Supplemental appropriations to the Commerce Department totaled \$373,500, including Real Estate Education and Research, \$25,000; and Enforcement and Investigation, \$348,500.

J. Public Employees

RETIREMENT PROGRAMS

1981 Regular Session

The 1981 Legislature authorized lump sum payments to pre-1973 retirees, disabled persons or survivors, some Minneapolis annuity recipients, and pre-1978 MTC retirees of (1) \$16 per year of service payable on December 1, 1981, and (2) \$17 per year of service payable on December 1, 1982. An appropriation of \$11,300,000 paid for these increases.

The policies of the State Board of Investment (SBI) were

changed to allocate 5 percent instead of 25 percent of the excess investment income to amortize a deficit in the Minnesota Post Retirement Investment Fund.

The Minneapolis Employees Retirement Fund (MERF) was authorized to withdraw its funds from the SBI. Prior to 1969, MERF had investment authority over all pension moneys. Between 1969 and 1981 MERF controlled the money of active employees while the SBI had authority over the funds for retirees. Under this legislation, MERF regained control over the pension money of all members.

1981 Third Special Session

The employee and employer contributions toward the Minnesota State Retirement System (MSRS) were reduced during the 1981 Third Special Session.

	Former	Jan. 1982- June 1982	July 1982
General			
Employee	4%	3.46%	3.73%
Employer	4	3.46	3.73
Additional	2	1.74	1.87
Total	10%	8.66%	9.33%
Correctional			
Employee	6	3.78	4.89
Employer	9	5.66	7.335
Additional	5	3.16	4.08
Total	20%	12.60%	16.305%
Military			
Employee	5	4.46	5.33
Employer	5	4.46	5.33
Additional	2	1.74	1.87
Total	12%	10.66%	12.53%
Unclassified			
Employee	4	4	4
Employer	6	6	6
Total	10%	10%	10%

1982 Regular Session

Pension legislation passed during the 1982 session introduced a "Rule of 90" early retirement option for certain public employees. PERA members whose combined years of service and age equal 90 were allowed to retire without any reduction by reason of early retirement.

The actuarial penalty for early retirement was reduced for PERA members. A benefit reduction factor of one quarter of one percent for each month that the member is under age 65 is applied to members who are at least 58 years of age and have a minimum of 20 years of service, or who are retiring after age 62 with at least 10 years of service.

In other action, employee contributions to the State Highway Patrol Retirement fund were increased from 7 percent to 8.5 percent. The highway patrol annuity formula was changed to be based on 2.5 percent of the first 25 years of service (instead of the first 20 years) and 2 percent for each year above 25 years.

Employee and employer contributions to MSRS were set as follows:

	General	Correctional	Military
Employee	3.46%	4.50%	5.06%
Employer	3.46	6.75	5.06
Additional	1.58	1.32	1.58
Total	8.50%	12.57%	11.70%

1982 Third Special Session

As part of its plan to meet the state's fiscal crisis, the Legislature passed a law which temporarily redistributed the employee and employer contributions to state pension funds.

The law called for the state to withhold four percent of its pension contributions for state employees and teachers between January 1 and June 30 of 1983.

The amount withheld by the state would be repaid to the various pension funds by employee contributions of two percent of salary between January 1, 1983, and December 31, 1983. Furthermore, state and local governments would restart their four percent contributions on July 1, 1983.

The proposal involved all state and local public employees covered by pension funds.

The gross yield from this plan was estimated at \$72,200,000. The law, however, appropriated \$8,500,000 to the pension funds to prevent actuarial damage from the interest lost as a result of payments being made one week to six months late. Net yield, therefore, was estimated at \$63,700,000.

1983 Session

The Legislature cancelled the two percent extra pension contributions for public employees which it had enacted in the Third Special Session of 1982. The last extra 2 percent deduction was taken in the last full pay period in June, 1983. The extra contribution had been scheduled to continue throughout 1983.

The Legislature also changed the pension laws to enable Minnesota public pension plans to qualify for favorable tax treatment from the Internal Revenue Service. The new language stated that public pensions are for the exclusive benefit of members and beneficiaries. As a result, employees' contributions to their pension plans are excluded from taxable income for federal tax purposes. These contributions become taxable when they are withdrawn from the fund.

In another action, pre-1973 retirees were scheduled to receive lump sum payments of \$16 per year of allowable service on December 1, 1983, and \$17 per year of service credit on December 1, 1984. Pre-1973 retirees get pensions on lifetime average earnings, while post-1973 retirees receive pensions on the basis of their five highest earning years.

1984 Session

Minnesota State Retirement System

Membership in the Minnesota State Retirement System (MSRS) is composed, generally, of employees or officers in the classified and unclassified service of the state. Employees of most of the metropolitan quasi-state agencies, such as the State Fair, Historical Society and others, plus the non-faculty employees at the University of Minnesota are members of the system. MSRS administers three retirement funds—the State Employees' Retirement Fund, the Highway Patrolmen's Retirement Fund and the Judges Retirement Fund—plus eight retirement plans or accounts.

Retirement and disability benefits are based upon the employee's highest five successive years of covered salary. To compute an employee's annuity, the retirement service credit is converted to a percentage using the following formula:

General Plan:

- 1 percent per year for the first 10 years;
- 1.5 percent for each year of service over 10.

Correctional Plan and Highway Patrol Plan:

- 2.5 percent per year for the first 25 years;
- 2 percent per year over 25.

Judges, Legislators, and Elective Officers:

- 2.5 percent per year of service.

The resulting percentage is applied to the average of the five highest successive years of salary (salary for high five years divided by 60). This procedure determines the amount of monthly benefit payable at normal retirement age. Benefits payable prior to normal retirement are reduced. Normal retirement and early retirement age and service requirements are as follows:

	Normal	Early
General Plan	30 years age 62 10 years age 65	30 years any age 10 years age 55
Military Affairs		
Special Coverage	60 years	
MnDOT Pilots		
Special Coverage	62 years	
Correctional and Highway Patrol	10 years age 55	none
Elected Officers and Legislators	8 years age 62	8 years age 60
Judges	10 years age 65	10 years age 62

State employees, including correctional employees and judges, are covered by Social Security and are under the coordinated plan. Highway patrolmen, legislators and elective officers are not covered by Social Security and are under a basic retirement plan only.

Membership in the state unclassified employee retirement program includes unclassified employees in the executive and legislative branches of government, metropolitan agencies, the Higher Education Coordinating Board, and other persons as stipulated

by legislation. The unclassified employee plan is a defined contribution plan in which the general retirement requirements are the same as in the general employee plan. Employee and employer contributions, however, are fixed at 4 percent and 6 percent, respectively, and the benefit is based solely on the amount of money in the employee's account.

The contribution rates by employee and employer are as follows:

Plan	Contribution Schedule			
	Employee		Employer	
	Pension	S.S.*	Pension	S.S.*
General	3.73%	6.7%	3.90%	7%
Correctional	4.90	6.7	8.70	7
Highway Patrol	8.50	0	18.90	0
Legislators and Elected Officers	9.00		As needed	
Unclassified	4.00	6.7	for benefits	7
			6.00	

*Social Security is paid on the first \$37,800 of gross wages in 1984.

The mandatory retirement age for most state employees is 70. Employees with 30 years of service may retire at age 62 with full benefits (see also the temporary Rule of 85 provision passed by the 1984 Legislature and explained below).

A separate Correctional Employees' Retirement Plan is in effect for certain employees having direct inmate contact. Participants in this plan have a conditional mandatory retirement age of 55 years, with possible annual extensions beyond age 55 based on medical determination of physical and mental fitness.

Military affairs personnel and Department of Transportation pilots who must retire before the age of 65 because of federal or state rules may choose to enroll in special coverage plans. The military affairs special coverage plan allows retirement with full benefits at age 60. Covered MnDOT pilots can retire with full benefits at age 62.

Public Employees Retirement Association

PERA consists largely of elected officials (membership optional), appointed officers and employees of governmental subdivisions (except teachers). Other members are district court reporters and employees of the League of Cities, Metropolitan Airports Commission, and the Minneapolis Employees Retirement Fund, as well as officers and employees of public hospitals owned or operated by governmental subdivision.

Employees of the city of Minneapolis and non-teaching employees of the Minneapolis school district hired prior to July 1, 1978, and who do not have Social Security coverage are not members of PERA. They are covered by the Minneapolis Municipal Employees Retirement Fund (MERF). Police officers and firefighters employed by one of the 29 cities in the state having a local police or salaried firefighters relief association also are not included as members of PERA.

Employer contributions by local units of government are estimated at \$178,181,927 for the 1983-85 biennium (\$138,191,652 in regular contributions for the Basic, Coordinated, and Police and Firemen's Plans, plus \$39,990,275 additional for the Basic and Coordinated Plans).

PERA manages three funds—a basic fund, a coordinated fund, and a police and fire fund. The coordinated fund includes employees covered by an agreement made between the State and the Secretary of Health and Human Services making the provision of the Federal Old Age, Survivors and Disability Insurance Act applicable to such members.

The contribution rate of both the employer and employee is 8 percent for employees under the basic fund and 4 percent for those under the coordinated fund. The employer (the local governmental subdivision) pays an additional 2.5 percent under the basic plan and one quarter percent plus Social Security under the coordinated plan. The employee contribution rate under the police and fire fund is 8 percent. The employer contribution is 12 percent.

Annuities are based on the average annual salary paid the employee during the highest five successive salary years and are calculated as follows:

Basic Fund

2 percent for the first 10 years
2.5 percent for each year of service over 10

Coordinated Fund

1 percent for the first 10 years
1.5 percent for each year of service over 10

Police and Fire Fund

2.5 percent for the first 25 years
2 percent for each year of service over 25

The 1982 Legislature adopted a "Rule of 90" for all PERA members. This means that PERA members whose combined years of service and age total 90 may retire without any reduction in annuity.

Minneapolis Municipal Employees' Retirement Fund

The Minneapolis Municipal Employees' Retirement Fund (MERF) is the only locally administered fund for municipal employees in Minnesota. All other municipal employees are covered by PERA.

The fund also was one of the few municipal employee funds in the country which was not participating in the Social Security program. The 1977 Legislature provided an option for MERF employees to join in a coordinated plan with Social Security. A relatively small number of employees did so. After July 1, 1978, all new employees were placed in the Coordinated Plan with Social Security coverage. The 1979 Legislature transferred all those employees who were under the Coordinated Plan into PERA on August 1, 1979. All new Minneapolis municipal employees join PERA. Only those persons having basic coverage remain in MERF.

MERF is administered by a seven-member Retirement Board comprised of the mayor, one member of the city council selected by the council, and five legally qualified voters to be chosen by the MERF membership. The board manages all of the fund's investments.

A MERF employee may retire with full benefits at age 60 with 10 years of service, or at any age with 30 years of service. The retirement benefit is based on the average of the five highest salary years of the last ten years of service. The actual payment is calculated as follows: 2 percent of Final Average Salary (FAS) for each of the first 10 years of service and 2.5 percent of FAS for each year over 10.

The city of Minneapolis contributes 11.48 percent of payroll to the retirement fund and pays an additional 2.5 percent plus \$3,900,000 to cover unfunded liabilities. At present, employees contribute 9.75 percent of their salary.

The state pays a portion of the unfunded liability for the MERF plan. The formula for the state payment is the amount of the unfunded liability not covered by the 2.5 percent contribution and \$3,900,000 provided by the City of Minneapolis. The appropriation estimated to cover this payment in the 1983-85 biennium is \$13,464,237.

Teachers' Retirement Association

Membership in the Teachers' Retirement Association (TRA) consists primarily of persons who have served or are serving as teachers, supervisors, and other professional personnel in the public schools located outside the cities of the first class, or in any charitable or state institution supported in whole or in part by public funds. Membership also is extended to like employees of the State Universities and Community Colleges. Also included are former members of TRA currently employed by a teacher organization. Employees classified as teachers at the University of Minnesota are outside TRA because they have their own retirement program.

Employees classified as teachers who are employed by a first class city school district are not included as members of TRA. They are covered by either the Duluth Teachers Retirement Fund Association, the Minneapolis Teachers Retirement Fund Association, or the St. Paul Teachers Retirement Fund Association.

Annuities are based on the average annual salary for the five highest successive years.

Retirement service credit is determined using the following percentage:

Coordinated Plan

- 1 percent per year for the first 10 years of service
- 1.5 percent per year for each year of service over 10

Basic Plan

- 2 percent per year for the first 10 years of service
- 2.5 percent per year for each year of service over 10

Teachers with 30 years of allowable service may retire at age 62 with full benefits. Member contributions are 4.5 percent for coordinated members and 8.5 percent for basic members. In addition to matching the employee contribution, the employer (share paid by the State of Minnesota) pays an added percentage under each system to amortize the deficit in the fund. The 1984 Legislature raised this percentage (effective July 1, 1984) from 3.05 percent to 4.48 percent and appropriated \$1,965,000 from the general fund to cover the increase.

General Changes

Early Retirement

Any member of MSRS, PERA, TRA, or a first class city teacher who has attained the age of 55 and whose age plus credited allowable service totals 85, may retire, upon application prior to December 31, 1986, with full benefits.

Two Percent Refund

Public employees will be returned the 2 percent extra contribution made during the budget crisis in 1983. The refund money will come from the pension fund and not the general fund.

Other Changes

Employees will receive 5 percent instead of 3.5 percent interest on all refunds.

Surviving spouse benefits for employees who meet the requirements for normal retirement were raised from 50 percent to 100 percent of the joint and survivor annuity.

The maximum survivor benefits under the PERA and TRA basic plans were raised from \$700 to \$1,000 per month. Minimum benefits were raised from 30 percent to 50 percent of the member's average monthly salary.

\$1,000,000 per year was appropriated from the general fund for distribution among those local police and salaried firefighters' relief associations that receive amortization state aid.

The 1984 Legislature changed the amortization and actuarial assumptions upon which the retirement plans are governed. For MSRS, PERA, TRA, and first class teachers' retirement fund, the preretirement interest assumption is 8 percent and the postretirement interest assumption is 5 percent.

Employers' additional contributions are to be calculated on a level percent basis that assumes an annual payroll growth of 6.5 percent.

GOVERNMENTAL OPERATIONS

1981 Regular Session

The 1981 Legislature abolished the Minnesota Energy Agency, the State Planning Agency, the Crime Control Planning Board, and the Department of Economic Development, and transferred their powers, duties, and functions to the newly created Department of Energy, Planning and Development. All staff positions serving the Crime Control Planning Board were abolished.

The 1981-83 appropriation for the new Department of Energy, Planning and Development was \$20,846,500 (a reduction of \$15,593,000 from the \$36,439,500 combined general fund budget for the 1979-81 biennium for the four separate divisions).

A fifteen-member energy policy development council was created to advise the commissioner on energy policy development.

1983 Session

A number of changes in the organization of state government were made during the 1983 session. The newly created Department of Commerce assumed the powers, duties, and personnel of the banking, insurance, securities, and real estate divisions of the old Commerce Commission. Consumer service functions were transferred from Commerce to the Attorney General's office.

The Department of Energy, Planning and Development was divided into a separate State Planning Agency and a Department of Energy and Economic Development.

In addition, the 1983 Legislature created the following offices and commissions: the Energy and Economic Development Authority comprised of the Commissioner of Energy and Economic Development and 10 additional members appointed by the governor; the Energy Issues Intervention Office, the Public Utilities Commission; the Office of Tourism; an Export Authority; and the Office of Debt and Loan Management.

The Environmental Quality Board assumed the responsibilities of the Water Planning Board and the Southern Minnesota Basin Board.

The State Soil and Water Conservation Board was transferred from the Department of Natural Resources to the Department of Agriculture.

1984 Session

The 1984 Legislature enacted legislation to codify minor organizational changes made during 1983 under the Commissioner of Administration's reorganization authority. These changes included transfer of power over certain insurance matters from the Department of Commerce to the Department of Revenue; transfer of the Environmental Quality Board to the State Planning Agency; transfer of authority over certain fire service from the Commissioner of Public Safety to the Commissioner of Transportation; transfer of duties within the Department of Energy and Economic Development; and transfer of the collection of debts relating to transportation from the Department of Public Safety to the Department of Transportation.

Other changes made by the 1984 Legislature included the creation of a Manufacturing Growth Council with an appropriation of \$60,000 available only if matched by Minnesota businesses, and the creation of a World Trade Center Board with nine positions and a fiscal year 1985 budget of \$575,000.

In honor of Martin Luther King's birthday, the third Monday in January was designated a state holiday. This law is to take effect in 1986.

PAY EQUITY

1982 Regular Session

During the 1982 regular session, a procedure was established for eliminating compensation inequities between female-dominated and male-dominated job classes in the executive branch. By January 1 of each odd-numbered year, the Commissioner of Employee Relations will submit to the Legislative Commission on Employee Relations (LCER) a list of job classes for which a compensation inequity exists and a cost estimate of the appropriation necessary to eliminate the inequities.

The LCER will then approve, disapprove, or modify the list of job classes. A portion of the salary supplemental appropriation will be set aside for comparability adjustments. The distribution of funds within each bargaining unit will be determined by collective bargaining.

1983 Regular Session

The supplemental salary appropriation for 1983 included \$21,762,200 to be used for comparability adjustments (\$7,093,200 in fiscal year 1984 and \$14,669,000 in fiscal year 1985).

1984 Session

The 1984 Legislature extended pay equity to local units of government and political subdivisions. The 1984 law requires that

every political subdivision establish equitable compensation relationships between female-dominated, male-dominated and balanced classes of employees, and between job classes in that and other political subdivisions.

To achieve pay equity, the Legislature mandated that all political subdivisions conduct a job evaluation survey in order to determine the comparable work value of their various job classes and to locate any sex bias within the pay scales. This study must be completed and an implementation plan adopted by October 1, 1985.

An additional \$272,000 was appropriated from the Highway User Tax Fund in 1984 for comparability payments.

PAY BILL

1983 Regular Session

The Legislature approved a two-year salary supplement of \$100,795,000 (\$33,165,000 for fiscal year 1984 and \$67,630,000 for fiscal year 1985). It also granted pay increases to state agency heads, constitutional officers, and judges. The major provisions of the new law were as follows:

Agency head positions were assigned into one of three statutory salary ranges. The governor, upon the approval of the Legislative Commission on Employee Relations, sets the salary within salary ranges. These ranges are: \$57,500—\$70,000; \$50,000—\$60,000; and \$40,000—\$52,500.

Salaries for constitutional officers were increased as follows:

	From	To
Governor	\$66,500	\$75,000
Attorney General	56,000	62,500
Lieutenant Governor	40,000	44,000
Auditor	36,000	48,000
Secretary of State	36,000	44,000
Treasurer	36,000	44,000

Judicial salaries were increased as follows:

	From	To
Chief Justice of Supreme Court	\$66,500	\$75,000
Associate Justice	56,000	65,000
Chief Judge, Ct. of Appeals		62,500
Other Judges, Ct. of Appeals		62,500
District Court, County Court, County Municipal, and Tax Court Judges	48,000	55,000

A 16 member compensation council was created consisting of six legislators, 2 persons appointed by the chief justice of the supreme court, and 8 public members appointed by the governor (one from each congressional district) which will recommend salaries for judges, legislators, and constitutional officers. The council's report was due January 1, 1984. Unless the plans are modified or rejected in a bill passed by the Legislature, the plan for judges will take effect July 1, 1984. The plan for legislators and constitutional officers will take effect January 1, 1985, if there is an appropriation of funds to pay salaries as recommended in the plans. The council will expire on June 30, 1984.

The legislature also placed a cap on local government salaries set at 95 percent of the governor's salary. Medical doctors were exempted from the salary cap.

1984 Session

During the 1984 Session, legislation was passed which adopted state labor contracts and compensation plans negotiated during the summer and fall of 1983 and ratified by the LCER. The pattern-setting contract for state employees was the American Federation of State, County and Municipal Employees (AFSCME) contract which granted combined salary and fringe benefit increases equal to 4.94 percent in 1984 and 5.02 percent in 1985. Total cost from all funds for state labor contract increases was \$109,874,935. This figure does not include salary increases for

the state universities, community colleges, or the University of Minnesota. Funding for university salaries is now included as part of the institutions' general budgets.

The Commissioner's Plan for unrepresented employees, the Management Plan, and agency head salaries were also approved.

Employees covered under the Commissioner's Plan received across-the-board increases for fiscal year 1984 of 4 percent or \$.25 per hour, and for fiscal year 1985 of 4.5 percent or \$.30 per hour. In addition, employees could earn merit increases up to 6 percent. Pay equity adjustments (the same as those negotiated by AFSCME for other state employees) were allocated to employees in certain female-dominated job classes.

The Management Plan extended benefits to agency heads, constitutional officers, workers' compensation and tax court judges, and for those managers who were not covered by any other plan. It also established minimum and maximum salary ranges for employees in the supervisory units. Pay increases for employees in the Management Plan are based on performance and are made at the discretion of the appointing authority. These increases were limited to 12 percent in fiscal year 1984 and 13 percent in fiscal year 1985.

The agency head salaries adopted by the 1984 Legislature for fiscal 1984 and approved by the LCER for fiscal year 1985 fell within the ranges established in Laws 1983, Chapter 299, and were set as follows:

Agency	AGENCY HEAD SALARIES	
	7/1/1983-6/30/1984	7/1/1984-6/30/1985
Finance	\$63,750	\$68,970
Education	60,625	66,000
Transportation	63,750	68,970
Human Services	57,500	60,000
Community College	66,000	68,970
State University	66,000	68,970
Vc-Tech Board	66,000	68,970
Investment Board	65,000	67,925
Administration	57,500	60,000
Agriculture	50,000	57,475
Commerce	50,000	57,475
Corrections	55,000	57,475
Economic Security	55,000	57,475
Employee Relations	55,000	57,475
Energy and Economic Development	55,000	60,000
Health	50,000	57,475
Labor and Industry	50,000	57,475
Natural Resources	55,000	57,475
Revenue	57,500	60,000
Public Safety	55,000	57,475
Chief Hearing Examiner	52,500	54,865
Pollution Control	52,500	57,475
HECB	55,000	60,000
Planning	57,500	60,000
Housing Finance	52,500	57,475
MTRA	56,500	57,475
MSRA	56,500	57,475
Human Rights	43,125	50,000
Public Service	43,125	50,000
Veterans Affairs	43,125	46,250
Mediation Service	46,250	50,000
Public Utilities	40,000	43,125
Trans Reg Board	40,000	43,125
Trans Reg Board	40,000	43,125
Trans Reg Board	40,000	43,125
Waste Mgmt Board	50,000	52,250
Mn Zoo	43,125	48,125

Total cost of adjustments from the minimum salary range to the LCER placement was \$123,148 in fiscal year 1984 and \$277,778 in fiscal year 1985.

K. Environment, Agriculture and Natural Resources

ENVIRONMENT

1981 Regular Session

Biennial appropriations for environmental protection included \$12,400,000 for the Pollution Control Agency and \$2,800,000 for the Waste Management Board.

1981 Third Special Session

Biennial appropriations for the Pollution Control Agency were reduced by \$1,500,000 and for the Waste Management Board by \$340,000.

1982 Regular Session

The Pollution Control Agency was required to develop an "acid deposition control plan" for the control of the emission of sulphur dioxide, a major cause of acid rain. An appropriation of \$81,455 was made to the Pollution Control Agency to start work on the plan.

1983 Session

Biennial appropriations for environmental protection included \$12,800,000 for the Pollution Control Agency (PCA) and \$2,800,000 for the Waste Management Board.

Legislation was enacted authorizing Minnesota to join the Midwest Interstate Low-Level Radioactive Waste Compact, which was established to provide for the disposal of low-level radioactive waste produced in the midwest. The law appropriated \$75,000 to the Pollution Control Agency for initial expenses to join the compact, but required that all costs incurred by the state to carry out its responsibilities under the compact be paid by the state's low-level waste generators. The PCA will recover these costs by assessing fees on low-level waste generators.

The "superfund" bill established a standard of strict legal liability for companies that generate, transport, and dispose of hazardous waste in Minnesota; created a state fund to pay for the cleanup of hazardous waste sites in Minnesota not covered by the federal superfund or to provide the 10 percent state matching funds required in order to receive federal superfund money; and authorized the PCA to begin cleanup of hazardous waste sites immediately, and then to sue the responsible parties to recover costs. The bill provided a start-up appropriation of \$5,000,000 for the state superfund. Another \$900,000 will come into the fund each year through a tax on the state's hazardous waste generators.

1984 Session

The Legislature increased by \$12,000,000, from \$155,000,000 to \$167,000,000, the amount appropriated for grants to municipalities and state agencies for sewage construction projects.

A state matching grants program was created for projects beginning on or after October 1, 1984. Up to 15 percent of the cost of construction may be paid by the state if the municipality or agency pays at least 25 percent of the cost. The Pollution Control Agency is allowed to award independent grants for 50 percent or more of the cost of construction. Bonding authority to finance the program was increased from \$144,000,000 to \$156,000,000.

The operator of a mixed municipal solid waste disposal facility in the metropolitan area is required to pay a fee of 50¢ per cubic yard of solid waste accepted at the facility. The proceeds are to be split evenly between a landfill abatement fund, created to reduce the land disposal of mixed municipal solid waste, and the metropolitan landfill contingency action fund, created for closure, response, and postclosure of a facility.

The Energy and Economic Development Authority was permitted to make, purchase, or participate in making or purchasing hazardous waste processing facility loans. The authority may issue bonds of up to \$10,000,000 to pay for the loans.

An appropriation of \$1,100,000 was made to the Waste Management Board, of which \$350,000 is for hazardous waste col-

lection grants and \$350,000 is for hazardous waste processing grants.

Other environmental appropriations included:

\$950,600 to the Pollution Control Agency, of which \$342,800 is for wastewater grant administration; \$117,000 for waste tire nuisance abatement collection; and \$100,000 for a study of waste tire collection and disposal;

\$7,000,000 to the Department of Administration to pay part of the cost of constructing a regional waste disposal facility to serve Olmsted, Dodge, Mower, Fillmore, and Wabasha counties;

\$184,000 to the Department of Energy and Economic Development to encourage recycling and other efforts for the correction of environmental blemishes that have a negative impact on tourism and economic development; and

\$250,000 to the Department of Transportation for screening, removing, or relocating junk yards, and for reimbursements to counties for the costs incurred by them in enforcing county ordinances regulating junk yards.

AGRICULTURE

1981 Regular Session

Biennial appropriations for agriculture included \$26,300,000 for the Department of Agriculture and \$2,600,000 for the Board of Animal Health. Appropriations for the Department of Agriculture included \$7,000,000 for the shade tree disease control program.

1981 Third Special Session

Biennial appropriations for the Department of Agriculture were reduced by \$5,600,000 and for the Board of Animal Health, by \$322,000.

1982 Regular Session

Biennial appropriations for the Department of Agriculture were reduced by an additional \$283,000. This reduction required the elimination of the shade tree disease control program.

1983 Session

Biennial appropriations for the Department of Agriculture were \$32,900,000 and for the Board of Animal Health, \$2,400,000. The appropriations for the Department of Agriculture included \$4,400,000 for international trade, as follows:

Export finance authority working capital account	\$2,000,000
Administration of export finance authority and export information office	600,000
Trade and export activity	1,750,000
World trade center commission	50,000

The Legislature enacted a law requiring Minnesota producers of manufacturing-grade (Grade B) milk to conform to federal quality standards by July 1, 1985. The Department of Agriculture must reimburse operators of dairy farms that produce milk for sale in cans for a portion of the costs of equipment and capital improvements necessary to conform to the new standards. An appropriation of \$300,000 was made to pay reimbursements.

1984 Session

An appropriation of \$575,000 was made to the World Trade Center Board for fiscal year 1985. The board was created to support the Minnesota World Trade Center and promote the growth of international trade in Minnesota. The board consists of nine voting members and four legislators who serve as non-voting members. Nine staff positions for the board were approved.

Another \$250,000 was appropriated for fiscal years 1984 and 1985 for trade and export activity. An additional \$59,000 was appropriated to the trade and export office for international trade.

An agricultural land preservation and conservation program was created. An appropriation of \$74,000 was made to fund the program.

Under the program, the commissioner of agriculture is to select

up to seven non-metropolitan counties that request to participate in a pilot program for county agricultural land preservation. By January 1, 1987, each pilot county is to submit to the commissioner a proposed agricultural land preservation plan and proposed official controls implementing the plan. Other non-metropolitan counties may submit a proposal when the county soil survey is completed. The commissioner is to review the proposals for consistency with the elements required by the legislation.

An owner of land that has been designated for exclusive long-term agricultural use under a county plan is eligible to apply for the creation of an exclusive agricultural use zone. An owner of agricultural land in an exclusive agricultural use zone is required to manage the land with sound soil conservation practices that prevent excessive soil loss. If a county board determines that the land is not being managed properly, it shall require the owner to commence practices to prevent the excessive soil loss.

A program is created to provide technical and financial assistance for agricultural land preservation and conservation activities. In order to be eligible for assistance, a county must agree to levy at least one-half mill for agricultural land preservation and conservation activities, or spend \$15,000 of local money, whichever is less.

The Energy and Economic Development Authority was authorized to make, purchase, or participate with financial institutions in making or purchasing farm loans of up to \$100,000. The authority may issue bonds of up to \$30,000,000 to provide money for the loans.

The state was also authorized to guarantee against loss an amount of up to 90 percent of a loan for the construction of an agricultural resource project. The amount of a guaranteed loan may not exceed 80 percent of the total cost of the project. The Commissioner of Finance is authorized to issue \$12,000,000 in general obligation bonds to provide money for the program. Other sources of funding include sales and use tax collections in connection with the construction or operation of any project for which a loan guaranty has been made, and property tax increments resulting from the construction of a project.

An appropriation of \$265,000 for fiscal year 1985 was made to the University of Minnesota for agricultural research, of which \$125,000 is for research on growing and processing grapes in Minnesota.

An appropriation of \$50,000 for fiscal year 1985 was made to the Department of Agriculture to provide financial advice and counsel to farmers in financial crisis.

NATURAL RESOURCES

1981 Regular Session

Biennial appropriations for natural resources included \$136,900,000 for the Department of Natural Resources and \$28,100,000 for natural resources acceleration.

In addition, the Legislature authorized the issuance of \$30,300,000 in state bonds, including \$12,500,000 for the acquisition and betterment of regional recreation open space lands in the metropolitan area and \$17,800,000 for the acquisition and betterment of state parks, trails, forest, fish and wildlife management areas, wild, scenic, and recreational rivers, and canoe and boating routes.

Game and fish licenses for residents were raised to the following amounts: small game, \$7; small game surcharge, \$4; deer with firearms, \$14; fish by angling, \$6.50; combination husband and wife license for fish by angling, \$10.50; license to take raccoon, bobcat, coyote, or fox with dogs, \$7.50 in addition to small game license (new category); trapping over the age of 18, \$13; to spear fish from a dark house, \$7.50; to rent a fish house, \$13. Many other game and fish license fees were also increased.

State park motor vehicle sticker fees were increased from \$5 to \$10.

1981 Third Special Session

Biennial appropriations for the Department of Natural Resources

were reduced by \$6,700,000, and for natural resources acceleration, by \$4,400,000.

1982 Regular Session

Biennial appropriations for the Department of Natural Resources (DNR) were reduced by an additional \$450,000. This reduction required the closing of the DNR's metropolitan regional office.

The three-year registration fee for a snowmobile was increased from \$12 to \$18. A dedicated account for the construction and maintenance of snowmobile trails was created. The account is supported by snowmobile registration fees and the unrefunded gasoline tax attributed to snowmobile use. The Legislature appropriated \$400,000 to the DNR to establish the account.

The fee for state-sponsored firearms safety and snowmobile training courses was increased from \$2 to \$5.

1983 Session

Biennial appropriations for the Department of Natural Resources were \$171,000,000, and for natural resources acceleration, \$20,400,000. Appropriations for peat development were increased by \$2,000,000 from the previous biennium. An appropriation of \$350,000 was made to develop ski trails and to set up a ski user licensing program.

An additional \$20,300,000 was appropriated to the Department of Natural Resources for capital expenditures, of which \$19,700,000 was for the acquisition and improvement of parks, trails, fish and wildlife areas, and public access to public waters. Another \$17,300,000 was appropriated for metropolitan area parks and open space acquisition and development.

Also, an additional \$5,100,000 was appropriated for a new Natural Resources Research Institute at the University of Minnesota's Duluth campus.

The Soil and Water Conservation Board was transferred from the Department of Natural Resources to the Department of Agriculture.

The law requiring a special \$7.50 license in addition to the small game license for taking raccoon, bobcat, coyote, or fox with the aid of hunting dogs was repealed.

A \$2.50 surcharge was imposed on Minnesota fishing licenses. The surcharge raised the cost of an individual fishing license to \$9, a license for a resident married couple to \$13, an individual non-resident license to \$17.50, and a non-resident couple's license to \$22.50. Revenue from the fee, expected to be about \$4,000,000 a year, will go to the game and fish fund and be used to develop and improve state fishing resources.

Persons between 18 and 64 years old who wish to hunt pheasants are required to buy a \$5 pheasant stamp in addition to the small game license. Income from the stamp will go to the game and fish fund and be used to preserve and maintain pheasant habitat. There is a "start-up" appropriation to the Department of Natural Resources of \$1,000,000 for the biennium.

1984 Session

An appropriation of \$2,000,000 for fiscal year 1985 was made to the St. Louis county land investment board for a county forestry assistance program. The money is available only when St. Louis County contributes \$500,000 from its own revenues to the project.

An appropriation of \$2,000,000 was made to the Department of Natural Resources for payment to the Lower Red River Watershed Management Board to construct the Winger dam on the Sand Hill River. The board must repay \$800,000 from its property tax receipts to the state within ten years. An additional \$1,966,700 was appropriated to the commissioner of administration and to the commissioner of natural resources for other construction projects relating to natural resources.

An appropriation of \$1,120,000 was made to the Iron Range Resources and Rehabilitation Board for construction of an outdoor amphitheater at the Iron Range Interpretive Center at Chisholm. The board must repay \$448,000 to the state bond fund within ten years.

Unless otherwise exempted, after January 1, 1985, a person may not operate an unregistered three-wheel off-road vehicle within the state. Exemptions include the use of a vehicle on private land. The registration fee is \$15 for three calendar years. There is an additional \$3 charge per registration. The commissioner of public safety is to establish a comprehensive three-wheel off-road vehicle environmental and safety education and training program, and collect a fee of up to \$5 per trainee. Revenue from the registration and training program fees may be spent for the program, the registration program, and acquisition and development of vehicle use areas.

A trout stamp is required of any person over the age of 16, rather than 18, in order to fish for trout. The stamp is now required for fishing for trout in any designated trout lake or Lake Superior,

in addition to any designated trout stream. Revenues may be used for the rearing and stocking of trout and salmon in streams and lakes, and for the development and preservation of trout streams.

No person can for compensation operate charter boats and provide guide services on Lake Superior without an annual license. The annual license fee is \$25 for a resident and \$100 for a nonresident.

An appropriation of \$600,000 was made to the attorney general for implementing an agreement with the United States to transfer from the state to the United States the ownership of 10,000 acres of land within the White Earth Reservation as part of a settlement of Indian land claims on the reservation.

L. Public Utilities and Regulated Industries

PUBLIC UTILITY REGULATION

1981 Regular Session

The 1981 Legislature appropriated \$2,075,800 for the biennium to the Public Utilities Commission, of which \$85,000 in the first year was for a special hearing administration cost account.

The Legislature also appropriated \$5,983,500 for the biennium to the Department of Public Service, including:

\$2,484,700 for utility regulation;

\$2,699,900 for weights and measures; and

\$798,900 for administrative services.

The 1981 Legislature directed the Public Utilities Commission to set the rates at which utilities buy power from small producers that use co-generation or other methods according to guidelines placed in the statutes.

1981 Third Special Session

The Legislature cut \$42,300 from the Public Utilities Commission and \$66,700 from the Department of Public Service.

1982 Regular Session

The 1982 Legislature set up an interim rate system to be used for utility rate hearings. The interim rates used cannot include a higher return on common equity than the current rate, dissimilar items than those allowed in the last rate case, or a change in the existing rate design. The Public Utilities Commission also was given the authority to determine whether the funds expended by the utilities during construction should be included in the rate base or treated as an expense item.

The Legislature also ordered that all energy utilities that offer a budget payment plan to some customers offer it to all of them.

1983 Session

The 1983 Legislature appropriated \$2,242,900 to the Public Utilities Commission, and \$6,580,200 to the Department of Public Service. The specific appropriations to the Department of Public Service were:

\$2,525,400 for utility regulation;

\$3,145,000 for weights and measures;

\$ 869,800 for administrative costs; and

\$ 40,000 for the newly created Energy

Intervention Office which is to represent Minnesota before bodies and agencies that influence energy policy outside of the state.

The session also transferred the duties for providing the Certificate of Need for large energy facilities to the Public Utilities Commission from the Department of Energy and Economic Development; and gave authority to the Commission to order at least one gas utility to implement a pilot program using inverted rates. Under this system the gas rates must represent the replacement cost of the natural gas. Total revenues from the customers involved in the system cannot exceed what they would have been using a flat rate system.

TELECOMMUNICATIONS

1984 Session

The 1984 Legislature appropriated \$250,000 to the State Planning Agency for the newly created Telecommunications Council and related activities. The council will promote coordination in the public and private sectors, with regard to the use and development of advanced telecommunications systems. The council will study, evaluate, and make recommendations on a broad range of telecommunications issues. It is composed of 23 members representing education, state agencies, the Public Utilities Commission, the Cable Communications Board, the Supreme Court, the telecommunications industry, and the general public.

Also, the Legislature deregulated independent telephone companies, with less than 15,000 customers (the cutoff had been 2,500), and radio common carriers. The impact of the independent deregulation is that 18 companies currently under regulation may opt for deregulation. (They can remain regulated.) The net result of the deregulation could leave 5 regulated companies providing service to 88 percent of the state's customers. The major target of the radio common carrier deregulation was the radio paging industry.

Another action by the 1984 Legislature authorized the Public Utilities Commission to order telephone companies to provide reimbursement for expenses incurred during a general rate case by an intervenor in need. The maximum reimbursement is \$20,000 per intervenor who materially assisted in the rate hearing. This is similar to the intervenor reimbursement system established for other utilities by the 1983 Legislature.

GAMBLING REGULATION

1982 Regular Session

The 1982 Legislature proposed a constitutional amendment to be on the 1982 general election ballot that would allow parimutuel betting on horse races.

1983 Session

The 1983 Legislature set up a license and tax system for the horse race track and other components of the industry along with a Racing Commission to promulgate rules on racing and to determine track sites. \$591,300 was provided to the commission to carry out its activities for the biennium. Another \$150,000 is available to the commission with the approval of the Governor and in consultation with the Legislative Advisory Commission, if the money is needed to carry out the commission's activities.

The commission appointed by the Governor will approve the establishment of race tracks and regulate all aspects of parimutuel racing and betting.

Race tracks will be owned and operated by private interests or county fair associations, and licensed and regulated by the commission. The commission will issue four types of licenses. The licenses and the fees for each are as follows:

Class A—for the ownership and operation of a race track; \$10,000 per year.

Class B—for the sponsorship and management of horse racing at the track; \$100 per racing day.

Class C—for the privilege of engaging in certain occupations relating to horse racing; fee is set by the commission but may not exceed \$100 per year.

Class D—for county fair associations conducting parimutuel horse racing; \$50 per racing day.

The commission can grant only one license for a race track in the seven-county metropolitan area. Licenses for race tracks in outstate areas, and for horse racing by county fairs, may be granted at the discretion of the commission.

The commission will assign to each race track the days on which races can be run. The bill restricts the number of racing days which can be granted a county fair to ten. These must coincide with the the county fair or the weekend preceding or following the fair.

Off-track betting is prohibited. The commission may permit parimutuel betting on horse races in other states when they are broadcast by television at the track.

The bill specifies that a certain amount of the money received in bets must be withheld by the track. The balance is to be paid to holders of winning tickets. The manner in which payments are made for winning tickets will be determined by the commission.

From the amount withheld, the track must pay purses to winning horses, taxes, and an amount designated for a special breeders fund. The breeders fund is to encourage the horse breeding industry in Minnesota.

In addition to the taxes which must be paid from betting, there is an admissions tax. The commission may impose an additional admissions tax if the revenue is needed by the local unit of government in which the track is located to meet extraordinary expenses caused by the track.

1984 Session

The 1984 Legislature appropriated \$556,000 to the newly created Charitable Gambling Control Board. The board will take over regulation of charitable gambling from local government. Board membership includes: 11 persons appointed by the governor, six of which must reside outside the metropolitan area; the Commis-

sioner of Public Safety; and the Attorney General. Some of the major powers of the board include:

1. Tax and licensing powers.

—Collection of a 10 percent tax on gross receipts (with prizes paid subtracted out) which will be in lieu of all sales and local bingo taxes. The net increase in state revenue from the new tax and the loss of the sales tax revenue is estimated to be \$983,000 in FY 1985 and \$5,600,000 for the next biennium.

—Collection of the distributor's license fee (\$1,500/year) and the equipment license fee of 25¢ per unit fee for all gambling equipment. The board is also authorized to set license fees for organizations conducting legalized gambling to cover all expenses of the board.

2. Establish rules on non-bingo prize limits (bingo prize limits are retained).

3. Issue, revoke and suspend licenses.

—Local units of government will have the authority to disapprove new or renewal license applications before the board. Local units also have the authority for more stringent gambling laws.

The net amount of the tax and license collections, after expenses of the board are subtracted out, is appropriated to the Department of Education to be used for grants to one or more schools for the arts or for the purposes recommended by the Minnesota School for the Arts Planning Task Force. Control of charitable gambling by the board becomes effective March 1, 1985.

The 1984 Legislature also appropriated \$75,000 to the Liquor Control Division of the Department of Public Safety for regulation of video games of chance (video games that represent common forms of gambling). The license fees for the video games of chance are:

—\$10,000 for distributors;

—\$ 2,500 for operators of the machines; and

—\$120 per machine.

Of the license collections, the city or county (if outside of the city limits) will receive \$30 for every machine in their area. Other local fees are prohibited and the remainder of the revenue from the license fees collected will be transferred to the general fund. Video games of chance were also restricted to licensed on-sale liquor establishments and private clubs with an additional restriction of two machines per establishment.

M. Legislative

1981 Regular Session

This session appropriated \$51,118,900 for operations of the Legislature.

\$23,959,000 was for the House of Representatives and \$15,425,300 for the Senate.

Appropriations to the Legislative Coordinating Commission were \$7,330,100 with these allocations:

Legislative Reference Library, \$858,400; Revisor of Statutes, \$4,931,150; Legislative Commission on Science and Technology, \$231,300; Advisory Council on the Economic Status of Women, \$191,000; Great Lakes Commission, \$75,500; Legislative Commission on Pensions and Retirement, \$254,800; Legislative Commission on Employee Relations, \$200,000; Legislative Commission to Review Administrative Rules, \$178,500; Legislative Commission on Waste Management, \$170,000; and the Mississippi River Parkway Commission, \$20,000.

The Legislature appropriated \$4,404,500 for the Legislative Audit Commission and the Legislative Auditor.

1981 Third Special Session

This session reduced the legislative appropriation by \$2,888,700.

These cuts included: House of Representatives, \$1,314,000.

Senate, \$200,000; Legislative Reference Library, \$91,300; Revisor of Statutes, \$535,000; Legislative Commission on Science and Technology, \$150,000 and abolishment as of March 1, 1982; Advisory Council on the Economic Status of Women, \$25,500; Great Lakes Commission, \$9,300; Commission on Pensions and Retirement, \$24,500; Legislative Commission to Review Administrative Rules, \$21,100; and Legislative Auditor and Audit Commission, \$435,500.

1982 Regular Session

This session reduced legislative appropriations by \$2,000,000 with the cuts to be apportioned by the Legislative Coordinating Commission.

1982 Third Special Session

The Legislature reduced the Legislature's appropriation by \$119,800 - \$49,800 from the Revisor of Statutes' budget and \$70,000 from the Legislative Auditor's Office.

1983 Session

The 1983 session appropriated \$56,458,100 for the various functions of the Legislature in the 1983-85 biennium. This amounts to six-tenths of one percent of the state budget.

The appropriations included: Senate, \$17,533,900; House of Representatives, \$25,786,000; Legislative Audit Commission and Legislative Auditor, \$5,157,000; and \$7,981,200 to the Legislative Coordinating Commission.

The Legislative Coordinating Commission appropriations included these items:

Revisor of Statutes, \$5,065,000; Legislative Reference Library, \$1,179,000; Commission on Economic Status of Women, \$186,500; Great Lakes Commission, \$63,400; Interstate Cooperation Commission, \$117,800; Legislative Commission on Pensions and Retirement, \$346,500; Legislative Commission on Employee Relations, \$169,600; Legislative Commission to Review Administrative Rules, \$192,200; Legislative Commission on

Waste Management, \$219,600; Mississippi River Commission, \$21,000; and general support for the Coordinating Commission, \$416,400.

1984 Session

Appropriations to the Legislature were increased by \$20,000 for the Legislative Commission on Energy; \$94,100 for the Legislative Reference Library; and \$6,300 to the Coordinating Commission for the Compensation Council.

Another \$258,500 was appropriated for legislative salary increases for fiscal year 1985. Legislative salaries will be \$21,140 a year beginning in calendar year 1985 and \$22,350 beginning in calendar year 1986.

N. Judicial

1981 Regular Session

Biennial appropriations for the judicial branch totaled \$36,750,700 and included \$23,500,000 for state courts, \$9,300,000 for the Supreme Court, and \$1,600,000 for the public defender.

1982 Regular Session

Legislation was enacted proposing a constitutional amendment to create an intermediate court of appeals. The bill included enabling legislation providing for the establishment of the court if the amendment was adopted. (The amendment was subsequently approved.)

The enabling legislation provided for a six-member court of appeals effective July 1, 1983, with an additional six judges to be added to the court on January 1, 1984. A mechanism was created for increasing and reducing the number of judges based upon a formula of one judge for every 100 cases in the normal case load.

The court of appeals was given jurisdiction over all civil appeals, except from conciliation courts, and all criminal appeals, except cases in which the defendant has been convicted of murder.

Cases in the court of appeals are heard by three judge panels. In conjunction with the creation of a court of appeals, the num-

ber of justices authorized for the state Supreme Court was reduced from nine to seven.

1983 Session

Biennial appropriations for the judicial branch were \$41,606,600 and included \$25,651,800 for trial courts, \$10,009,000 for the Supreme Court, \$3,089,000 for the new Court of Appeals, \$1,934,800 for the public defender, \$698,000 for the Board of Public Defense, and \$223,800 for the Commission on Judicial Standards.

1984 Session

An appropriation of \$400,000 was made to the commissioner of administration for preliminary planning and design competition for a judicial building that will utilize the existing Historical Society building and the Mechanic Arts High School gymnasium site. The design for re-use of the Historical Society building, new construction, and improvements on the site must not produce a total cost exceeding \$36,000,000.

Appropriations to the Supreme Court were increased by \$47,500 for the court administrator, and \$43,000 for the law library. Other supplemental appropriations to the judicial branch were \$111,100 for the Board on Judicial Standards, \$144,500 for the Board of Public Defense, and \$80,000 for the public defender.

O. The Governor

1981 Regular Session

Biennial appropriations for the offices of Governor and Lieutenant Governor were \$3,338,400. Of that amount \$2,951,600 was for executive operations and \$368,800 was for Interstate Representation and Cooperation.

The executive operations budget included \$405,000 for the Lieutenant Governor; \$34,200 for the Governor's committee on appointments; and \$5,900 for a portrait of the Governor.

The Interstate Representation and Cooperation portion of the budget allocated \$44,600 for the Great Lakes Basin Commission; \$142,000 for the Upper Great Lakes Regional Commission; \$99,000 for the Upper Mississippi Basin Commission; and \$101,200 for the National Governor's Association.

Contingency Accounts

The Legislature enacted a contingency appropriation of \$15,435,000 at its 1981 regular session, the money to be spent with approval of the Governor after consultation with the Legislative Advisory Commission.

The contingency fund included \$8,170,000 of General Fund moneys; \$200,000 from the Game and Fish Fund; \$800,000 from the Trunk Highway fund; and \$6,915,000 in a fund for fuel and utilities used by the state.

Another appropriation bill allocated \$750,000 in a contingency fund for state institutions.

1981 Third Special Session

This session reduced the Governor's office budget by \$393,900.

1982 Regular Session

Contingency Accounts

This session reduced the contingency appropriation for fuel and utilities made at the 1981 regular session by \$1,800,000.

1982 Third Special Session

Contingency Accounts

This session reduced the 1981 contingency appropriation by \$1,200,000--\$1,000,000 from the fuel and utilities account and \$200,000 from the General Fund account.

1983 Session

Biennial appropriations for the offices of Governor and Lieutenant Governor were set at \$4,425,100 with \$123,600 of that amount for membership dues to the National Governor's Association.

The appropriation included \$499,300 for the operations of the Lieutenant Governor's office; \$133,400 for the Governor's committee on appointments; \$452,400 for operation of the Governor's mansion; and \$250,000 for the operation of the executive office in Washington, D.C.

This session also transferred the authority to appoint the Commissioner of Education from the State Board of Education to the Governor; set the Governor's salary at \$75,000 a year; and gave the responsibility and authority for setting salary ranges for commissioner level state employees to the Governor, with approval of the Legislative Commission on Employee Relations.

P. Other Constitutional Officers

1981 Regular Session

The net appropriations for the constitutional offices other than Governor and Lieutenant Governor in the 1981 session were:

Attorney General's office, \$22,077,900. This appropriation included \$2,833,900 for public assistance and \$5,872,500 for public protection.

Secretary of State, \$2,102,300; Auditor, \$513,000; and Treasurer, \$1,801,900.

Another \$2,000,000 was appropriated to the Executive Council, and \$2,277,800 to the State Investment Board.

1981 Third Special Session

The Third Special Session of 1981 reduced the budgets of these constitutional officers by \$1,399,600.

1982 Third Special Session

This session reduced these constitutional offices' budgets by \$1,117,000.

1983 Session

The net appropriation for the biennium for constitutional offices other than the Governor and Lieutenant Governor were:

Attorney General's office, \$26,150,800. Of this \$3,504,300 was

Contingency Accounts

The 1983 session appropriated \$14,350,000 in contingency funds for the 1983-85 biennium. Of that appropriation \$14,000,000 was for the General Fund and \$350,000 for the Game and Fish fund.

In another appropriation bill, the 1983 session reduced the fuel and utilities contingency appropriation made in 1981 by \$750,000.

1984 Session

The Legislature provided annual salaries for constitutional officers effective January 1, 1985, as follows: Governor, \$84,560; Lieutenant Governor \$46,510.

for public assistance and \$6,988,100 was for public protection. Of the latter amount, \$97,300 was appropriated to set up a public assistance vendor fraud unit.

The Secretary of State's office received an appropriation of \$2,743,100; the Treasurer's office, \$1,197,000; and the Auditor's office, \$765,000.

Another \$2,796,300 was appropriated to the State Investment Board and \$300,000 to the Executive Council.

1984 Session

Appropriations were increased \$47,300 for compliance activities in the Attorney General's office and \$50,000 for a microfilming project in the Secretary of State's office.

The 1984 session appropriated \$600,000 to the Attorney General's office for a White Earth Reservation land settlement involving the federal government; \$31,000 in the insurance omnibus bill; and \$47,300 for Superfund compliance activity.

Salaries for constitutional officers other than governor and lieutenant governor effective January 1, 1985, were set as follows: Attorney General, \$60,060; Auditor, \$50,740; Secretary of State, \$46,510; and Treasurer, \$44,000.

The Secretary of State's office was appropriated \$50,000 for a microfilming project.

Q. Other Departments, Boards and Commissions

1981 Regular Session

Appropriations for departments, boards and commissions not mentioned in other narrative sections were:

Department of Public Safety, \$112,893,600, of which \$16,752,100 is for the Bureau of Criminal Apprehension and \$49,204,600 is for the State Highway Patrol;

Department of Revenue, \$54,853,600;

Department of Administration, \$35,636,000;

Department of Finance, \$11,501,800;

Department of Labor and Industry, \$15,030,100;

Department of Military Affairs, \$9,604,800;

Department of Human Rights, \$2,236,900;

Historical Society, \$13,933,800.

Other such appropriations were:

Board of Arts, \$4,500,000; Zoo Board, \$10,464,800; Board of Animal Health, \$2,594,800; Capitol Area Architectural and Planning Board, \$162,800; Water Resources Board, \$208,600; Waste Management Board, \$2,757,500; Indian Affairs Intertribal Board, \$374,900; Council on Black Minnesotans, \$160,400; Council for the Handicapped, \$601,700; Spanish Speaking Affairs Council, \$176,800; Ethical Practices Board, \$317,700; Minnesota Municipal Board, \$336,500; Minnesota-Wisconsin Boundary Commission, \$114,800; Uniform Laws Commission \$25,500; Voyageurs National Park Citizens Committee; \$103,000; Southern Minnesota River Basin Board, \$94,800; Minnesota Humane Society, \$50,000; County Attorneys Council, \$121,800; Horticultural So-

ciety, \$149,300; Minnesota Academy of Science, \$46,600; Minnesota Science Museum, \$400,000; Minnesota Safety Council, \$97,300; Disabled American Veterans, \$38,600; Veterans of Foreign Wars, \$50,000; Tort Claims, \$1,650,000; and other claims \$30,683.

1981 Third Special Session

This session enacted a number of appropriation reductions, among them:

Department of Administration, \$3,168,600; Department of Revenue, \$1,257,600; Department of Finance, \$1,226,500; Military Affairs, \$1,095,000; Department of Public Safety, \$1,285,000; Historical Society, \$1,605,400; Zoo Board, \$998,800; Minnesota Board of Arts, \$655,000; Board of Animal Health, \$321,800; Waste Management Board, \$342,000; Mediation Services, \$169,300; Department of Human Rights, \$250,000; Water Resources Board, \$28,000; Indian Affairs Intertribal Board, \$26,000; Council for the Handicapped, \$49,200; Peace Officers Standards and Training Board, \$23,500; Ethical Practices Board, \$32,400; Municipal Board, \$41,700; Southern Minnesota River Basin Board, \$11,800; County Attorneys Council, \$15,100; and Minnesota Horticultural Society, \$18,500.

1982 Regular Session

This session enacted about \$30,000,000 in appropriation reductions, including:

Department of Administration, \$290,000; Department of Pub-

lic Safety, \$200,000; Arts Board, \$143,000; and Historical Society, \$122,000.

The Department of Revenue received a \$900,000 appropriation to administer the unitary tax.

1982 Third Special Session

This session enacted about \$88,000,000 in appropriation reductions, among them:

Department of Administration, \$166,000; Department of Revenue \$315,000; Department of Finance, \$100,000; Department of Military Affairs, \$127,000; Department of Public Safety, \$300,000; Historical Society, \$200,000; Board of Arts, \$220,000; Zoo Board, \$35,000; and Department of Human Rights, \$10,000.

1983 Session

The 1983 Legislature appropriated the following amounts to departments, boards and agencies not dealt with in other narrative in this fiscal review:

Department of Public Safety, \$136,315,700 in general fund and trunk highway fund moneys, of which \$19,838,600 went to the Bureau of Criminal Apprehension, and \$59,453,600 to the State Highway Patrol.

Department of Administration, \$40,938,300; Department of Revenue, \$67,187,100; Department of Labor and Industry, \$18,545,000; Department of Finance, \$13,021,600; Zoo Board, \$11,048,000; Department of Military Affairs, \$9,698,000; Waste Management Board, \$2,803,100; Department of Human Rights, \$2,804,300; Board of Animal Health, \$2,435,600; Historical Society, \$14,635,800; Board of Arts, \$4,089,500; Non-Health Related Boards, \$5,309,200; Tort Claims, \$2,150,000; Science Museum of Minnesota, \$563,900; Council for the Handicapped, \$667,400; Indian Affairs Intertribal Board, \$414,000; Municipal Board, \$392,700; Ethical Practices Board, \$344,000; Council on

Black Minnesotans, \$210,100; Spanish Speaking Affairs Council, \$210,100; Capitol Area Architectural and Planning Board, \$182,100; Minnesota-Wisconsin Boundary Commission, \$133,400; Voyageurs National Park Citizens Committee, \$104,500; Southern Minnesota River Basin Board, \$104,700; Claims, \$257,938; Minnesota Humane Society, \$43,800; Uniform Laws Commission, \$23,900; Minnesota Academy of Science, \$40,900; Minnesota Safety Council, \$101,400; Veterans of Foreign Wars, \$50,000; and Disabled American Veterans, \$40,200.

1984 Session

Supplemental appropriations for these departments, boards and commissions were:

Department of Administration, \$10,003,000, including \$7,000,000 for a regional waste disposal system, and \$2,100,000 for public television;

Department of Labor and Industry, \$377,700;

Department of Human Rights, \$657,100, of which \$294,600 will be reduced from appropriations base if not reimbursed by the federal funds in FY 85, for a net appropriation of \$362,500;

Department of Public Safety, \$350,200 as a supplement and for Bikeway Registration;

Minnesota Zoological Board, \$663,900;

Department of Revenue, \$75,000;

Historical Society, \$116,500;

Board of Arts, \$105,000;

Voyageurs National Park Citizens Committee, \$33,500;

Uniform Laws Commission, \$4,000;

Veterans of Foreign Wars, \$5,000;

Indian Affairs Council, \$40,000.

The Legislature also created a World Trade Center Board and appropriated \$575,000 for its operation.

IV. THE TAX LAWS

The Minnesota tax system changed significantly over the last four years.

The Legislature has wrestled with major tax problems since January of 1981, primarily because six consecutive revenue forecasts missed their mark by a total of more than a billion dollars.

Attempts to solve these shortfalls involved many regular and special sessions, three gubernatorial vetoes, and major changes in the Minnesota sales, excise, and income tax laws.

The issue first came before the Legislature in January of 1981 when Governor Albert Quie submitted his biennial budget indicating that the state would collect \$8,600,000,000 in revenues over the coming biennium, if no tax laws were changed.

Details, by session in chronological order and by type of tax, follow.

More than 35 tax increases totaling over a billion dollars were adopted in the next 23 months in two regular and six special sessions, but revenues still fell \$400,000,000 short of the Governor's original budget.

INCOME TAX

1981 Regular Session

The 1981 regular session began the process of increasing collections from the individual and corporate income taxes. Adopting the federal schedule of employer withholding tax payments shifted \$61,400,000 into fiscal 1981 by requiring large employers to pay withholding tax within three days after the end of the payroll period rather than on the fifteenth of the following month. A program called "Fair Share" was initiated which was intended to collect \$43,400,000 in fiscal years 1982 and 1983 in taxes on income previously unreported and untaxed.

1981 First Special Session

This session increased individual income taxes by adjusting income tax indexing, by conforming medical deductions to federal rules and by switching to the accrual method of deducting federal income taxes to arrive at Minnesota taxable income. Telephone and telegraph companies were required to make declarations of estimated tax, shifting \$37,000,000 from fiscal year 1982 into fiscal year 1983. This gross earnings tax is paid in lieu of income tax by telephone and telegraph companies.

Indexing Adjustment

The income tax indexing formula was adjusted to correct for the "over-indexing" of the state income tax. The original indexing formula increased the width of the tax brackets, the standard deduction maximum, and the personal credit based on the Twin Cities Consumer Price Index (CPI). Because income growth lagged far behind inflation for several years, the indexing formula overcompensated for the problem of people being pushed into higher tax brackets by rising income. Rather than keep people in the same tax bracket relative to their income, the formula pushed people into lower tax brackets, causing the percentage increase in tax to be much lower than their percentage increase in income. In order to solve this problem, a new indexing formula was enacted which expanded the income tax brackets, standard deduction, and personal credits by the lesser of the Twin Cities CPI or the rate of growth in income as estimated by the Department of Finance. An adjustment factor was added to the formula which offsets the faster growth of the federal income tax deduction relative to growth in income. The adjustment to indexing was estimated to raise \$91,800,000 in the 1982 and 1983 fiscal years.

Medical Deduction Conformity

Itemized deductions for medical expenses were conformed with federal law beginning with tax year 1982. Deductions for medical insurance were limited to 50 percent of expenses up to \$150. Expenses for medicines and drugs were allowed only to the ex-

tent that they exceeded one percent of income. Deductions for all medical expenses except insurance were allowed only to the extent that they exceeded three percent of income. These restrictions on medical deductions were estimated to raise \$74,600,000 in fiscal 1983.

Accrual Basis for Federal Tax Deductions

Beginning with the 1981 tax year, deductions for federal income taxes were switched from the cash basis to the accrual basis. Rather than deducting federal taxes withheld or paid during the year and adding back the previous year's refund, taxpayers deduct the net federal tax liability for the current year. During the transition year to the new method, federal refunds from the previous year were still added back, but the current year's overwithholding was not allowed to be deducted. Federal declarations, balance-due payments and other amounts paid for prior years were required to be carried forward in equal installments for five years after the transition year. The switch to accrual basis for federal deductions was expected to raise \$62,100,000 in fiscal year 1982 and lose \$10,400,000 in fiscal year 1983.

1981 Third Special Session

In this session the Legislature enacted a seven percent surtax on the individual income tax to be in effect from January 1, 1982, through June 30, 1983. The surtax was estimated to raise \$199,000,000 in fiscal years 1982 and 1983. The other major changes of this session included conforming to new federal provisions, adopting the unitary method of reporting corporate income, providing a tax credit for business research and development expenditures, and reducing the tax rate on part of corporate income.

Federal Update

In 1980 federal law provided that the dividend exclusion would be expanded for 1981 and 1982 federal returns to include both dividends and interest earned. The amount of the exclusion was doubled to \$200 for single and \$400 for joint returns. In 1981 this provision was repealed for the 1982 tax year. The state conformed to this federal change at a savings of about \$10,500,000 in fiscal 1983.

The state also conformed to new federal law placing tighter restrictions on commodity straddles. The revenue increase from commodity straddles was estimated to be \$14,000,000 in fiscal 1982 and 1983.

The federal increase in the capital gains exclusion from 50 to 60 percent was adopted for tax year 1982 at an estimated cost of \$15,000,000 in fiscal 1983.

Unitary Reporting

Under the unitary system, a corporation is required to report its income from subsidiaries outside the state which relate to its business operations within the state. The unitary tax was estimated to raise \$63,000,000 in fiscal years 1982 and 1983. These estimates did not materialize.

Research and Development Credit

A new credit of 10 percent of any increase in research and development expenditures over the average of the prior three years was allowed. The credit was effective beginning with tax year 1982 and was estimated to cost \$18,000,000 in fiscal years 1982 and 1983.

Corporate Tax Rate

The rate of tax on the first \$25,000 of taxable net income for corporations was reduced from 12 percent to 9 percent for tax year 1982 and 6 percent beginning with tax year 1983. The \$25,000 bracket must be reduced for corporations doing business partly within and partly outside the state. The cost of this rate reduction was estimated at \$12,300,000 for fiscal years 1982 and 1983.

1982 Regular Session

This session delayed conformity to the federal capital gains percentage from tax year 1982 to tax year 1983 for individuals at a savings to the state of \$14,000,000 for fiscal year 1983. The credit for research and development expenditures was changed to allow a credit of 12.5 percent of the first \$2,000,000 of expenditures and 6.25 percent on any expenditures exceeding \$2,000,000. The savings was estimated to be \$5,500,000 in fiscal 1983.

1982 Third Special Session

This session increased the temporary individual income tax surtax to 10 percent beginning January 1, 1983, raising an additional \$27,000,000 in fiscal 1983.

1983 Session

The 10 percent income tax surcharge which had been scheduled to expire June 30, 1983, was extended for two years through June 30, 1985. The extension of the surtax was estimated to generate \$392,000,000 in the 1983-85 biennium. The 1983 session also conformed the state income tax to federal law in several major areas and eliminated some minor adjustments and credits in an effort to simplify state tax returns. Other provisions included increasing the farm loss limit and suspending income tax indexing in the event of a budget shortfall. The corporate deduction for taxes paid to other states was repealed and three new business tax credits intended to encourage economic development were enacted.

Federal Conformity

Beginning in 1983, itemized deductions on the state return were made the same as on the federal return except that deductions are not allowed on the state return for state income taxes paid and for charitable contributions exceeding Minnesota's present limit. Taxpayers are allowed to deduct adoption expenses and dependent education expenses as under present law. The major changes in conforming to federal rules were to raise the threshold for medical deductions from three to five percent of income; raise the threshold for the casualty loss from \$100 to 10 percent of income; eliminate the itemized deductions for gasoline taxes, foreign taxes, political contributions, and the wheelage tax portion of motor vehicle licenses. The deduction conformity was expected to raise \$107,900,000 during fiscal years 1984 and 1985.

The 1983 Legislature also eliminated some of the adjustments to federal income that are made in arriving at Minnesota taxable income. Beginning with property placed in service after January 1, 1983, Minnesota allowed the full Accelerated Cost Recovery System (ACRS) depreciation deduction for individuals at a cost of \$28,800,000 in fiscal years 1984 and 1985. At the same time, the state eliminated the subtraction for the federal investment credit which was expected to save \$54,500,000 during the biennium. A number of minor adjustments to income were eliminated with no appreciable fiscal impact.

Income tax credits for pollution control, agricultural electricity, and motorboat gas taxes were also repealed at a savings of \$4,000,000 for the biennium.

Farm Loss Limit

The limit on farm losses used to offset other income was increased from \$15,000 to \$30,000 and the phase-out rate was increased from two to three times for income exceeding \$30,000. The cost of this provision was estimated to be \$5,000,000 in fiscal years 1984 and 1985.

Indexing Suspension

Indexing of the individual income tax is to be suspended if the Commissioner of Finance certifies that the state will have a budget deficit remaining after the appropriated budget reserve has been used up. Once indexing has been suspended, it would not be started again until the budget is once again fully funded, including the budget reserve account.

Business Tax Changes

The corporate deduction for income taxes paid to other states was repealed at an estimated savings of \$18,700,000 for the biennium.

Three new tax credits were added in an effort to help stimulate economic development in the state. The technology transfer credit gave a tax break to companies which give small businesses the rights to technology which the larger company has developed but does not want to pursue. Another credit was provided for contributions to a small business assistance office. The third credit was allowed for investments in the equity stock of a qualifying small business. The cost of these three credits was estimated to be \$14,500,000 in fiscal years 1984 and 1985.

1984 Session

The 1984 Legislature repealed the 10 percent income tax surcharge as of January 1, 1984. Dropping the surtax eighteen months earlier than previously scheduled was estimated to reduce state revenues by \$325,000,000 in the 1983-85 biennium. The 1984 session also provided for an alternative pension exclusion computation, increased the exclusion for foreign dividends, added an exclusion for foreign royalties, allowed the carryback of unitary operating losses to nonunitary years, and increased the limits for the education expense deduction. A new tax credit was provided for conservation tillage equipment.

Pension Exclusion

Beginning with tax year 1985, the pension exclusion can be computed in two ways. The old method allows taxpayers to exclude up to \$11,000 of pension income from the state income tax. The \$11,000 maximum exclusion must be reduced dollar for dollar for any federal adjusted gross income exceeding \$17,000. The new alternative exclusion provides the same \$11,000 maximum exclusion, but the maximum is reduced by the sum of Social Security, railroad retirement, and federal adjusted gross income exceeding \$23,000. Taxpayers can use the greater of the two exclusions. The cost of this provision is estimated to be \$9,600,000 in fiscal years 1986 and 1987.

Foreign Dividend Exclusion

Dividends received from foreign sources were exempted from the corporate income tax. Dividends were also exempted if the receiving corporation owns 80 percent of the payer corporation's voting stock. This provision is effective for tax years beginning after June 30, 1985, and is estimated to cost \$1,800,000 in the 1986 and 1987 fiscal years.

Foreign Royalty Exclusion

Royalties and other fees paid by foreign corporations for the use of patents and trademarks outside the United States were exempted from the corporate income tax. This exclusion may only be taken if the corporation derives at least 80 percent of its income from foreign dividends and royalties. This change is effective for tax years beginning after December 31, 1984. The cost is estimated to be \$6,000,000 in the 1985-87 biennium.

Unitary Loss Carryback

Net operating losses in tax years 1982 through 1985 will now be allowed to be carried back to prior tax years. In order to carry back the losses, the corporation must file combined reports for the carryback years. The loss carryback is not allowed to exceed the unitary tax which would have been paid in the prior year. This change is estimated to cost \$3,000,000 in fiscal 1985 and gain \$1,000,000 in fiscal years 1986 and 1987.

Education Expense Deduction

The maximum education expense deduction was increased from \$500 to \$650 for a child in grades K-6 and from \$700 to \$1,000 for grades 7-12. This change is effective beginning in tax year 1985 at a cost of \$2,400,000 in the 1985-87 biennium.

Conservation Tillage Credit

A new income tax credit was enacted for 10 percent of the cost of conservation tillage planters. Only planters suitable for use in a no-till, ridge-till or strip-till system will qualify for the credit. This is effective for tax year 1985 at a cost of \$900,000 in fiscal years 1986 and 1987.

PROPERTY TAX

Property tax legislation passed during the 1981, 1982, and 1983 sessions reflected the need to provide additional property tax relief while attempting to reduce state expenditures in the face of recurring revenue shortfalls. As a result, the legislation attempted to target relief to those most in need while reducing the costs of more generalized property tax relief programs.

In addition to reducing the cost of some major property tax relief programs, legislators made a significant number of payment date changes to shift payments into succeeding budget periods.

1981 First Special Session

A combination of credits and assessment rate changes were passed during this session in order to hold down property tax increases on homes, apartments, and small businesses. The assessment rate on the first \$50,000 of commercial or industrial market value was decreased from 43 percent to 40 percent beginning with taxes payable in 1982. The assessment rate on apartment buildings of four or more units was decreased from 38 percent to 36 percent for taxes payable in 1982 and 34 percent for taxes payable in 1983 and subsequent years. These changes were expected to increase state homestead and agricultural credit costs by \$1,700,000 in the 1981-83 biennium, because of the resulting property tax shift from commercial, industrial, and apartment property to homestead property.

The maximum targeted property tax relief for 1981 was increased from \$300 to \$500. Under this program, the state reimbursed property taxpayers for 50 percent of any net tax increase in excess of ten percent for taxes payable in 1981 over 1980. The credit was also changed for taxes payable in 1982 to reimburse 75 percent of any net tax increase in excess of 20 percent, up to a maximum of \$200. These provisions had a projected 1981-83 biennial cost of \$21,200,000.

Agricultural credit was also revised to provide greater property tax relief for farm homesteads and small farms. The credit was increased from 17 mills on the value of the first 240 acres to 18 mills on the first 320 acres. The credit on land over 640 acres was reduced from 10 mills to 8 mills and the credit on non-homestead land was set at 10 mills under 320 acres and 8 mills over 320 acres.

The homestead base value, which receives a preferential assessment rate, was also indexed to increase with the statewide average purchase price of residential homes. This provision reduces homestead property taxes and was estimated to reduce state homestead credit costs by \$4,900,000 in the 1981-83 biennium.

Provision was also made for a change in the valuation of agricultural land beginning with property taxes payable in 1984. The land would be assessed at the lesser of its estimated market value or the free market gross rental rate capitalized at 5.8 percent.

Shifts

While the law changes mentioned above were made to provide property tax relief, budget considerations made some expenditure reductions a necessity. The response during this session was to shift more than \$200,000,000 in property tax relief expenditures from fiscal 1983 into fiscal 1984. The largest of these shifts resulted from a change in the payment of property tax refund claims to renters under age 65. These claims had been allowed on individual income tax returns, but were changed to separate payments to be made in August. This change resulted in a reduction of \$121,000,000 in estimated fiscal 1983 expenditures.

Local government aid payments, which had been made quarterly, were changed to six equal installments paid in July through December. This shifted an estimated expenditure of \$67,400,000 out of fiscal 1983.

Taconite homestead credit payments and DNR payments in lieu of property taxes were also changed, shifting another \$13,000,000 out of 1983. Homestead credit payments were changed to six equal installments for cash flow purposes.

1981 Second Special Session

While this session was called primarily to increase short term borrowing authority, the payment schedule for homestead credit payments to school districts was again changed to improve cash flow.

1981 Third Special Session

Continuing deficit projections forced the legislature to consider property tax relief expenditure reductions again during the third special session. Local government aid was cut by \$32,000,000 and 1982 property tax refund claims for renters under age 65 were reduced by \$8,000,000.

1982 Regular Session

During this session the major goal in the property tax area was to cut the biennial cost of property tax relief. This was accomplished through a combination of appropriation cuts and payment shifts totaling more than \$130,000,000. Homestead credit payments to school districts were changed from two payments in July and January to a 10 payment schedule like other school aids. This schedule shifted 15 percent of the payment out of fiscal 1983 for an estimated savings of \$37,600,000.

Payment shifts were also made in the property tax refund program. Senior citizen claimants, who had previously been allowed to receive the credit as part of their income tax refund, were no longer allowed that option. Instead, they received separate payments in August (renters) or October (homeowners). These provisions reduced fiscal 1983 expenditures by an estimated \$65,300,000.

Homestead credit payments to governmental units, other than school districts, were reduced by \$30,000,000 for fiscal 1983.

Property tax provisions not related to expenditures included a provision for reduced assessments on homestead property damaged in a declared disaster. Local governments which lost revenue because of the reduction in assessed value would be reimbursed by the state.

In addition, the capitalization rate for 1983 farm valuation was decreased from 5.8 percent to 5.6 percent and the recapture of deferred taxes on green acres land was waived if the land was transferred to agricultural preserve treatment.

1982 Third Special Session

During this session, the December 1982 payment of state aids to local governments was reduced by \$14,100,000. These reductions totaled \$7,500,000 for counties, \$5,800,000 for cities, \$500,000 for towns, and \$300,000 for special districts other than the MTC.

The aids affected by the reduction were the local government aid, homestead credit, attached machinery aid, Title II and 3cc property reimbursement, wetlands credit, and native prairie credit.

1983 Session

Major changes were made in the property tax system during the 1983 session. Residential homestead assessment rates and the homestead brackets were changed, effective with taxes payable in 1984, according to the following schedule:

Taxes Payable 1983	Taxes Payable 1984
16% on the first \$27,000	17% on the first \$30,000
22% on the next \$27,000	19% on the next \$30,000
28% over \$54,000	30% over \$60,000

In addition, the homestead credit percentage was reduced from 58 percent to 54 percent and the credit was limited to apply only

to the tax imposed on the first \$67,000 of market value.

The homestead credit percentage for agricultural homesteads was also reduced from 58 percent to 54 percent, but the \$67,000 value limitation was not applied. In addition, the agricultural homestead base value was increased from \$54,000 to \$60,000.

These changes were estimated to reduce state property tax relief costs by \$20,500,000 in fiscal 1985.

The agricultural credit computation was changed to a percentage of gross tax, rather than a specified number of mills applied to the assessed value, using the following percentages:

- 29% of the tax on—the first 320 homestead acres
 - the first 320 non-homestead acres
 - seasonal recreational residential property
- 10% of the tax on—homestead over 640 acres
 - non-homestead over 320 acres
 - timberland

The credit was also limited by excluding the house, garage, and one acre of land, and by capping the credit at \$2,000 for agricultural property and \$100 for seasonal recreational residential property.

These provisions were expected to reduce state agricultural credit by \$9,400,000 in fiscal 1985.

Other classification rate changes included a decrease from 40 percent to 34 percent on the first \$50,000 of commercial and industrial value and a slight increase, from 33.33 to 34 percent, for type I and II apartments of four stories or less. In addition, Title II, MFA, FmHA, and Section 8 housing constructed after January 1, 1984, would receive a reduced assessment only on the portion of the building which was rent subsidized.

The property tax refund program was also revised through the adoption of a new formula, an increased maximum refund amount, and an income limitation for eligibility. The maximum credit amount, increased from \$1,000 to \$1,125, and the \$40,000 income limitation were applied to both senior citizens and non-senior claimants. Senior citizens, however, continued to have a preferential refund schedule.

In addition to the changes in maximum credit and income limitation, the property tax equivalent used by renters was also changed. Instead of using 23 percent of rent payments as rent constituting property taxes, the new law requires landlords to apportion the actual property tax paid on the building and to report the appropriate share of the tax to each renter. The tax is apportioned on the ratio of the tenant's gross rent to the total rent collected for the building. Claimants living in subsidized housing, however, are to use 20 percent of gross rent paid as rent constituting property taxes.

Local Government Aid

The distribution of local government aid, attached machinery aid, and the state reimbursement for the reduced assessment credit were also revised during the 1983 legislative session.

Cities were placed on a new aid formula which provided aid equal to the difference between the amount which would result from a levy of 10 equalized mills and the local revenue base. The revenue base was the 1981 base, adjusted for inflation and population growth, increased by the amount of any 1983 attached machinery aid or reduced assessment reimbursement. Annual increases in the aid payment to any city were limited to six percent, and decreases were limited to the amount which would result from a levy of three-quarters of an equalized mill. The attached machinery aid and reduced assessment reimbursement were eliminated for cities as they became part of the revenue base.

All counties, except Hennepin, Ramsey and St. Louis, retain 60 percent of the local government aid certified for 1983. They also retain 90 percent of the attached machinery aid computed for 1984 if that amount was \$50,000 or more. Counties with attached machinery aid entitlements of less than \$50,000 receive no payment, and no counties receive reduced assessment reimbursements.

Hennepin, Ramsey and St. Louis counties, which receive no local government aid, receive 50 percent of their 1984 attached machinery aid in fiscal 1985, but are not slated to receive payments in subsequent years.

Townships that had an average equalized mill rate of at least two mills were to receive 50 percent of their local government aid, attached machinery aid, and reduced assessment reimbursement for 1984 and subsequent years. If use of the city aid formula resulted in a larger aid amount, the town was entitled to the larger amount.

The reduced assessment reimbursement was eliminated for school districts, and 90 percent of the attached machinery aid entitlement was retained only by districts which received aid of \$10 or more per pupil unit.

These provisions reduced fiscal 1985 local government aid expenditures by an estimated \$8,600,000.

1984 Session

During the 1984 session property tax relief measures were passed to aid small businesses, farms, and residential homesteads which had experienced large property tax increases.

The targeted property tax relief for taxes payable in 1984 was liberalized by providing that the state pay 100 percent (previously 50 percent) of any net homestead property tax increase which exceeds 20 percent over 1983. The maximum income for eligibility was also increased from \$40,000 to \$50,000. The change will increase the state expenditure by \$12,000,000 in fiscal 1985.

A targeting program was provided for taxes payable in 1985. Under these provisions, the state will pay 50 percent of any net homestead property tax increase which exceeds 12.5 percent up to a maximum of \$400. No income limitation is placed on credit eligibility. The estimated cost of this targeting provision is \$12,300,000 in the 1985-87 biennium.

The \$2,000 agricultural credit maximum which was passed during the 1983 session was increased retroactively to \$4,000 to help reduce farm taxes payable in 1984. In addition, credit percentages were increased for taxes payable in 1985 and subsequent years. These changes are as follows:

Property Type	Previous Percentage	New Percentage
Homestead—first 320 acres	29%	33%
Homestead—320 to 640 acres	13	15
Non-Homestead—first 320 acres	13	15
Seasonal Recreational Residential	13	15
Homestead over 640 acres and Non-homestead over 320 acres	10	10

The retroactive provisions will cost an estimated \$900,000 in fiscal 1985. The estimated cost for all provisions in the 1985-87 biennium is \$27,900,000.

Three other changes effective for taxes payable in 1985 relate to the homestead status of several types of residential property. These are as follows:

- (1) Owner-occupied triplexes will receive homestead classification and homestead credit on the entire unit. (Owner-occupied duplexes already receive this treatment);
- (2) A single rental dwelling unit located on a homestead premise, whether attached to the homestead or not, will receive homestead classification and credit;
- (3) Property which is partially homestead and partially non-homestead (other than those described above) will receive homestead classification only on the portion actually used as a homestead. Homestead credit will apply to the entire property.

These provisions will increase homestead credit payments by \$2,000,000 in the 1985-87 biennium, but provision was also made to treat split class homestead property uniformly for taxes payable in 1984, costing an additional \$1,000,000 in fiscal 1985. Item 3 above was made retroactive for taxes payable in 1984.

The remaining classification change reduced the assessed value of commercial and industrial property by increasing the first tier

market value from \$50,000 to \$60,000 and decreasing the classification rate on that value from 34 percent to 28 percent effective with taxes payable in 1985. The resulting shift will increase state costs by \$1,300,000 in the 1985-87 biennium.

The 1984 legislation repealed the provision for valuing agricultural land on the basis of capitalized gross rent, but directed the commissioner of revenue to recommend an adjustment to reflect production value for use in the 1985 assessment. The commissioner was also directed to issue guidelines to all county assessors on the proper determination of agricultural market values.

Requests for tax relief under the disaster credit were restricted and will only be considered if a survey indicates that the average loss on damaged homes is \$5,000 or more. In addition, one of the following conditions must be met:

- (1) At least 25 homes must have been damaged; or
- (2) The dollar amount of the damage must represent at least one percent of the total market value of homestead property located within the boundary of the applying governmental unit.

Counties were also given the option of granting homestead property tax relief for homes with damage exceeding 50 percent from accidental causes and are also uninhabitable. This program is to be financed locally.

The legislation also provided for a four year phaseout of the county aid offset for consolidated conservation area funds. In addition, the definition of wetlands was expanded to make all wetlands under the Department of Natural Resources public waters inventory eligible for the wetlands exemption and credit.

SALES TAX

1981 First Special Session

Major changes in the sales tax were adopted by the Legislature at this session. The net estimated impact of these changes was \$452,900,000.

The major change was enactment of a temporary one percent rate increase of the general sales tax and the motor vehicle excise tax (from four to five percent). The increase was scheduled to expire on July 1, 1983.

Farm machinery was exempted from the one percent rate increase, thus remaining at four percent.

The fiscal impact for the biennium of the tax increase was \$468,100,000, but the exemption of farm machinery reduced that estimate by \$15,200,000 for a net revenue gain estimated at \$452,900,000.

Other changes in the sales tax in this session were:

Extension of the tax to admissions to athletic events, for an estimated revenue gain of \$1,300,000.

Extension of the tax to packaged delicatessen food for consumption on or off premises, for an estimated revenue gain of \$1,200,000.

Repeal of the sales tax on feminine hygiene products, for an estimated tax loss of \$2,500,000.

1981 Third Special Session

The Legislature increased the sales tax on products sold in vending machines, imposed the sales tax on cigarettes, and accelerated the collection of sales taxes by the Minnesota Department of Revenue.

Prior to enactment of this law, vending machine operators were taxed on three percent of gross receipts. The new law provided that vending machine products be taxed like all other products—at five percent until July 1, 1983. The estimated impact for the biennium was \$12,400,000.

Cigarettes had not been subject to the sales tax because they are subject to an excise tax. This session imposed the five percent sales tax on cigarettes to generate new revenues estimated at \$21,200,000 during the biennium.

Both the cigarette tax and the new rate on vending machine products were made effective on February 1, 1982.

Another sales tax revenue producer enacted by that session was an estimated \$31,000,000 gain from a speedup of sales tax collections in June.

Sales tax revenues for all months except June were to be submitted to the Department of Revenue after collection. The vendor was required to submit a full month's collections by the 25th day of the subsequent month.

On or before June 25, vendors having \$1,500 or more in liability for May must remit the actual May liability (as before) plus one-half of the estimated June liability. The other half and adjustments from the estimate are required to be submitted by August 25.

1982 Regular Session

The 1982 session of the Legislature enacted a sales and excise tax package which was estimated to raise \$55,000,000 in fiscal year 1983. These taxes became effective June 1, 1982.

The biggest revenue producer was the enactment of an additional five percent sales tax on liquor and beer sold on-sale in restaurants and taverns. The revenue yield from this tax was estimated at \$25,000,000.

The 1982 session of the Legislature also extended the sales tax to cover candy and soft drinks containing less than 15 percent fruit juice. The revenue yield from this tax was estimated at \$18,000,000.

Further, the sales tax was extended to charges for cable television service. This change was expected to produce \$1,500,000.

The 1982 session also enacted a so-called "throwback" provision for the sales tax which was estimated to gain \$10,500,000 in revenues. This law provides that sales tax would be collected from Minnesota vendors who sell taxable items to customers in jurisdictions which do not have a sales tax. Furthermore, goods sold out-of-state would be subject to the Minnesota sales tax, if the state of destination imposes a sales tax, but does not allow a sales tax exemption for goods shipped to Minnesota.

1982 Third Special Session

This session made one major and one minor change in the sales tax laws.

The major change was estimated to produce \$77,200,000 in new revenues during the six months of the fiscal year beginning January 1, 1983, and ending June 30, 1983. The law change increased the permanent sales tax rate from four to five percent, and also increased the temporary sales tax rate from five to six percent (the temporary rate had been scheduled to expire on July 1, 1983).

The new law exempted farm machinery from both provisions, keeping the sales tax on this product at four percent.

The motor vehicle excise tax remained at five percent, but the rate was made permanent. The general sales tax rate was at six percent (on a temporary law); motor vehicles were at five percent; and farm machinery was at four percent.

Another change in the sales tax provided that coin-operated telephones were subject to the general sales tax. This was expected to raise \$300,000 for the remainder of the 1983 biennium.

1983 Session

The 1983 session of the Legislature made a number of changes in the sales and excise tax laws for a revenue gain estimated at \$498,500,000 over fiscal years 1984 and 1985.

The most significant legislation in this area included increasing the motor vehicle excise tax rate from five to six percent (\$58,800,000) and making the six percent sales tax permanent (\$376,600,000). The six percent sales tax rate had been scheduled to expire on June 30, 1983.

In a major change affecting liquor vendors, the 1983 session converted the five percent per drink tax to a 2.5 percent tax on both off-sale and on-sale purchases. The new 2.5 percent tax across a broader base of retailers was expected to yield about the same amount of revenue as the five percent on-sale tax,

\$42,000,000. The revised tax does apply to all sales of intoxicating liquor, strong beer and wine, but does not apply to 3.2 beer sold in grocery stores or in establishments holding solely a 3.2 beer or a wine and beer license.

The sales tax was also extended to magazines sold over the counter and the exemption on bottled water was expanded to include sale of half gallon containers. These actions were expected to raise a net of \$2,300,000 over the biennium.

To further build up the general fund, the 1983 Legislature delayed the transfer of portions of the motor vehicle excise tax into the dedicated highway fund from July 1, 1983, to July 1, 1985.

The session also enacted two provisions that extended taxing authority to local communities.

One law provided that any city that did not impose a lodging tax under special law, could impose a tax on lodging at a rate of up to three percent. Ninety-five percent of the proceeds from this tax must be used for tourism promotion.

The other law applied only to the city of Rochester. That city was allowed to impose a piggy-back sales tax of up to one percent on sales made within the city. In addition, Rochester was allowed to impose a motor vehicle excise tax of up to \$20 per vehicle.

Proceeds from these taxes must be used to pay capital costs of improvements to the city park and recreation and flood control systems and to pay the debt service on general obligation bonds issued for these projects.

1984 Session

The 1984 session reduced the sales tax rate on capital equipment purchased for a new or expanding manufacturing facility from six to four percent. In order to qualify, the equipment must be used to manufacture or refine a product for sale at retail. Materials used to construct or install the equipment are included. The same rate reduction was given to special tools which have value only to the buyer because they are made according to the buyer's unique requirements and cannot be used in any general application. The rate reduction for capital equipment and special tooling was made effective for sales made after June 30, 1984, including purchases made after May 1, 1984, but not placed in service until after June 30, 1984. The cost of this provision was estimated to be \$6,000,000 in fiscal 1985 and \$23,500,000 in fiscal years 1986 and 1987.

The session also reduced the sales tax on new mobile homes and exempted used mobile homes; included logging equipment in the definition of farm equipment; and exempted sales of candy sold for educational purposes.

TACONITE TAX

1982 Regular Session

This session of the Legislature authorized two bond issues in taconite tax relief area school districts with the provision that 90 percent of the debt and interest service on these bonds be paid by taconite property and the other 10 percent on taxable property in the district.

In another section of the bill, the Legislature authorized the appropriation of \$240,000 a year toward bond retirement for Independent School District No. 710, St. Louis County, for \$6,000,000 in bonds sold in May of 1981.

The two bond issue authorizations were for Independent School District 319, Nashwauk-Keewatin, \$815,000; and Independent School District No. 703, Mountain Iron, \$5,480,000.

1982 Second Special Session

This session opened up the use of interest and dividends of the Northeastern Minnesota Economic Protection Trust Fund for dealing with economic problems in northeastern Minnesota. Expenditures from that fund had been prohibited until January 1, 2002.

Expenditures from that fund now have to be approved by the newly created Board of Trustees of the Northeastern Minnesota

Economic Protection Trust Fund, reviewed by the Legislative Advisory Commission and approved by the Governor.

The Board of Trustees is composed of three members from the House of Representatives, three Senators, six public members and the Commissioner of Energy, Planning and Development. All public members, two House members, and two Senators had to be residents of the taconite tax relief area.

The major criteria for expenditures included creation of long-term employment opportunities.

The Legislature also appropriated \$7,500,000 from the trust fund to the Iron Range Resources and Rehabilitation Board (IRRRB).

Of that amount, the IRRRB could spend \$2,500,000 for emergency public works projects. The other \$5,000,000 was appropriated for the same purpose, but was subject to approval by the Board of Trustees of the trust fund. All expenditures were subject to approval of the Governor.

1984 Session

Beginning with property taxes payable in 1985, the order for payment of taconite homestead credit or supplemental homestead credit and the statewide homestead credit is reversed, so that the homestead credit is paid first, thus reducing expenditures from the taconite property tax relief fund. Computation of the credits is altered to avoid changes in the net tax paid by the homeowners resulting from the change in the order of the credit calculation. These changes will increase statewide homestead credit costs in fiscal years 1986 and 1987 by \$17,300,000.

The rate of the occupation tax on natural iron ore was reduced from 15.5 percent to 15 percent, and the labor credit, which reduces the effective tax rate to 6.75 percent, was extended to iron ore producers. The royalty tax on natural ores was reduced to the rate of the tax on taconite royalties. The net loss in state revenue for the 1985-87 biennium is estimated at \$800,000.

The production tax distribution grandfather for local units of government and other funds was changed to the amount of the 1984 distribution, subject to reduction if production levels fall. This is estimated to increase revenues by \$4,058,300 in the 1985-87 biennium.

The taconite production tax rate was frozen for 1985 and 1986 at the 1984 level. For 1987 and subsequent years, the rate is indexed to the implicit price deflator. (Prior law used the steel mill products index.) The iron content escalator is phased out in two steps, eliminated by 1985. Determination of the tax base is gradually changed to a three-year average over the next three years.

An annual credit of \$250,000 is provided against the taconite production tax for 1985, 1986, and 1987 for a taconite producer that builds a water filtration and treatment plant costing over \$1,000,000 in 1984.

Inflators applied to taconite production tax distributions were changed to the implicit price deflators. The distribution to the taconite property tax relief account was reduced, and a specific distribution to the northeast Minnesota economic protection trust fund was established.

MISCELLANEOUS

1981 Regular Session

The 1981 session raised \$11,200,000 for the biennium by rescheduling the payments of the insurance gross premiums tax. This two percent tax was formerly collected in quarterly payments on April 15, June 15, September 15, and December 15. Thus, half of the payments in each calendar year came in the new fiscal year starting July 1.

The new schedule called for payments of one-third of the estimated liability on April 15, June 15, and December 15—eliminating the September payment. Thus two-thirds of the payments are now scheduled in the first six months of the year, before the fiscal year changes.

The gasoline tax was increased from 11 to 13 cents per gallon to produce revenues estimated at \$78,000,000 for the 1981-1983 biennium.

The 1981 Legislature also repealed the motor vehicle recycling tax which had been designed to finance the scrapping of abandoned vehicles. The law for disposing of abandoned vehicles remains in the statutes without the tax—one dollar on each transfer of a motor vehicle over 1,000 pounds. The revenue loss from this repeal was estimated at \$1,900,000.

1983 Session

The State gasoline tax was increased from 13 to 17 cents per gallon. This increase was estimated to raise \$142,000,000 in the 1983-1985 biennium.

That session also enacted state tax incentives for new businesses locating in enterprise zones defined in earlier laws. The 1983 Legislature added sales tax exemptions for construction materials, income tax credits for new employees, and debt financing and state paid property tax credits to property tax credits already available. Designation of enterprise zones were changed to include border cities. Some border cities were eligible by definition, while others were expected to meet economic distress criteria. Moorhead, Breckenridge, Dilworth and East Grand Forks were made eligible by definition. State tax relief was limited to \$8,000,000 for the 1983-1985 biennium and overall tax reductions were limited to \$42,000,000.

The statewide mandatory gravel tax was also revised to include only the counties of Anoka, Becker, Benton, Big Stone, Carver, Clay, Dakota, Hennepin, Kittson, Le Sueur, Mahnomon, Marshall, Norman, Pennington, Polk, Pope, Ramsey, Red Lake, Scott, Sherburne, Stearns, Stevens, Traverse, Washington, Wilkin and Wright.

1984 Session

Economic Development

The 1984 session increased the funding limits for tax reductions which may be granted within enterprise zones by \$3,600,000. \$1,000,000 of this additional authorization can be used for state tax reductions in this biennium. A total of \$6,610,940 was allocated to the city of Duluth as a border city enterprise zone.

This session also appropriated \$3,400,000 to help pay the increased property tax and sales tax costs associated with the expansion and renovation of certain industrial operations. Up to \$1,000,000 is allocated for the renovation of a meat packing plant

that provides over 20 percent of the industrial employment in the city where it is located (Albert Lea). Up to \$2,400,000 is allocated to a manufacturer of engines, electrical generators and switch-gear that provides over ten percent of the industrial employment in the city where it is located (Fridley). This grant is paid based on the manufacturer's certification to the commissioner of energy and economic development of increased property taxes due to the plant expansion and one-third of the sales tax paid on replacement of capital equipment. Payment of this grant cannot exceed \$480,000 in any one year.

An additional \$100,000 was appropriated to a city selected as the site for a foreign manufacturing development facility.

Amnesty/Licensing

The 1984 session established a tax amnesty program for taxes which were delinquent as of February 1, 1984. The amnesty program allows taxpayers to pay 80 percent of the tax, penalty and interest due as of February 1, 1984, plus all penalties and interest accruing after that date. The maximum reduction in unpaid liability is \$2,000. Payment must be received on or after August 1, 1984, but before November 1, 1984. Civil and criminal penalties on delinquent returns filed with payment during this period are waived unless it is determined that the tax was understated by 25 percent or more. There will not be another tax amnesty before October 1, 1994.

Beginning January 1, 1985, business, trade, or professional licenses will not be renewed if the commissioner of revenue has notified the licensing authority that the applicant owes more than \$1,000 in delinquent sales or withholding taxes including interest and penalties. Exceptions are provided if a court or administrative action questions the delinquency, if the taxpayer is making payments under an agreement, or if the taxpayer can show unusual hardship. The license may be issued once the commissioner issues a tax clearance certificate.

The amnesty and licensing program is estimated to raise \$5,000,000 in fiscal year 1985.

Boxing and Admissions Taxes

The 1984 session repealed the five percent gross receipts tax on boxing exhibitions. The Metropolitan Sports Facilities Commission was authorized to exempt admissions to a superbowl football game from the admissions tax.

V. STATE DEBT AND CAPITAL EXPENDITURES

The state has operated under a general executive branch policy on bonded debt since 1979. Policy established in 1979 called for a limitation of debt to 2.5 percent of anticipated general revenue. The policy also called for a goal to limit total state agency and public corporation and University of Minnesota debt to 3.5 percent of personal income.

This policy was altered in the Capital budget submitted to the 1984 session of the Legislature.

The amended policy calls for a limitation of debt to 3 percent of anticipated general fund revenues; financing of repairs and betterments by general fund appropriations, not bonds; and the continuing goal of keeping bonded debt for the state, the University and state public corporations to 3.5 percent of personal income.

1981 Regular Session

Authorizations of building and improvement projects from bond revenues in the 1981 regular session of the Legislature were:

Department of Administration, \$13,443,000, including \$4,265,000 for facilitation of handicapped access to state buildings; \$5,000,000 for energy conservation; and \$1,392,000 for repair of the Capitol roof;

Department of Natural Resources, \$533,000 for improvements to the Badoura State Forest nursery;

Department of Military Affairs, \$922,200 for energy conservation projects at National Guard armories and the purchase of McCarron's Lake Elementary School for a National Guard Army; State University system, \$597,000;

University of Minnesota, \$5,650,000, including \$510,000 for heating plant conversion at the Minneapolis campus; \$2,680,000 for heating plant and electrical system work at the Crookston campus; and \$2,000,000 for handicapped facilities and energy conservation throughout the system;

Department of Corrections, \$4,742,000, including \$3,860,000 for improvements at Stillwater State Prison;

Department of Welfare, \$10,888,000, including \$1,085,000 for the Ah-Gwah Ching State Nursing Home; \$1,499,000 for Brainerd State Hospital; \$934,000 for Cambridge State Hospital; \$3,141,000 for Faribault State Hospital; \$897,000 for Moose Lake State Hospital; \$448,000 for Fergus Falls State Hospital; \$175,000 for Rochester State Hospital; \$1,825,000 for St. Peter State Hospital; and \$504,000 for Willmar State Hospital;

Department of Economic Security, \$250,000;

Historical Society, \$975,000, including \$568,000 for renovation of the James J. Hill House.

That session also issued bonding authority for a \$190,000,000 project for University of Minnesota Hospitals and another building bill with these appropriation authorities:

Minnesota Historical Society, \$700,000, including \$619,000 for Ft. Snelling Reconstruction;

Department of Veterans Affairs, \$261,000 for remodeling of the Hastings Veterans Home;

Department of Economic Development, \$2,500,000 for improvement of the Duluth marina terminal;

Department of Education, \$14,145,300 for Post-secondary Vocational school projects, including \$253,000 for Albert Lea; \$654,000 for Bemidji; \$300,000 for Dakota County District 197; \$318,700 for Detroit Lakes; \$680,000 for the East Grand Forks district; \$362,000 for Granite Falls; \$234,000 for Jackson; \$234,000 for Mankato; \$203,000 for District 916 in Washington County; \$202,000 for Moorhead; \$1,100,000 for St. Cloud; \$3,825,000 for the St. Paul district; \$3,059,000 for Staples; \$1,533,900 for Suburban Hennepin; \$698,300 for Wadena; \$187,900 for Willmar; and \$300,000 for the Winona Vocational school district;

State Universities system, \$1,621,000, including \$700,000 for the Winona campus; \$800,000 for the Moorhead campus; and \$121,000 for the Mankato campus;

Community Colleges system, \$620,000;

University of Minnesota, \$38,057,100, including \$16,484,000 for a connected Hubert H. Humphrey Institute and College of

Business Administration complex on the West Bank of the Minneapolis campus; \$17,300,000 for construction of an Agronomy and Plant Genetics, Plant Pathology and Soil Science building on the St. Paul campus; \$851,000 for the Duluth campus; \$320,000 for the Morris campus; \$52,800 for the Crookston campus; \$184,800 for the Waseca campus; \$20,000 for the Northwest Experiment Station at Crookston; \$254,000 for the Southwest Experiment Station at Lamberton; and \$339,000 for the Hormel Institute at Austin.

1982 Regular Session

Authorization of building improvement projects adopted by the 1982 Legislature were:

Department of Administration, \$1,048,000 for improvements of the State Capitol;

Department of Natural Resources, \$162,000, including \$62,000 for re-roofing the Minerals Office in Hibbing and \$100,000 for conversion of the heating plant at the French River Hatchery to wood pellets;

Department of Military Affairs, \$350,000 for repair and remodeling of the Holmen Field hangar, contingent on at least 50 percent matching funds from the federal government;

Department of Veterans Affairs, \$63,000 for air conditioning a building at the Minneapolis Veterans Home;

Department of Education, \$752,000 for the Post Secondary Vocational schools. The appropriation was divided between the Austin TVI, \$510,000, and the Eveleth TVI, \$242,300;

State Universities system, \$924,000, including \$404,000 for Bemidji University; \$430,000 for Moorhead; and \$90,000 for Mankato;

University of Minnesota, \$1,235,000 for the heating plant on the St. Paul campus;

Department of Transportation, \$2,255,600, including \$257,000 for a project at International Falls; \$900,000 for a Minneapolis project; \$310,000 for a Sleepy Eye project; and \$315,000 for a Dodge Center project;

Department of Public Safety, \$100,000;

Department of Corrections, \$300,000.

1983 Session

The 1983 session of the Legislature authorized these building and improvement projects:

Department of Administration, \$27,943,000, including \$255,000 for Capitol renovation; \$375,000 for landscaping the Capitol complex; \$400,000 for a state History Center (using the Historical Society and the old Mechanics Arts High School buildings); \$100,000 for a site selection study for a Judicial Building; \$2,750,000 for acquisition of the Minnesota Education Association (MEA) building; \$385,000 for renovating the MEA building; \$19,000,000 for rehabilitation of the State Office Building; and \$4,706,000 for life and safety code and the improvement of elevators (\$728,000) in the Capitol complex;

Department of Natural Resources, \$20,326,000, including \$19,670,000 for improvement and acquisition of parks and open space; and \$626,800 for dam safety projects at Lake Zumbro, Lanesboro and Granite Falls;

Department of Energy, Planning and Development, \$17,325,000, to be turned over to the Metropolitan Council for acquisition and betterment of open space facilities at the local or metropolitan level;

Department of Military Affairs, \$360,000;

Department of Transportation, \$8,442,700, including \$3,227,000 for central shops; \$313,000 for a chemical storage shed; \$244,000 for a truck station at East Grand Forks; \$229,000 for a truck station at Hanning; \$325,000 for equipment storage at Mapleton; \$670,000 for equipment storage at Grand Rapids; \$909,700 for the Rum River rest area; \$620,000 for the Split Rock rest area; \$980,000 for a Golden Valley office addition; and \$925,000 for maintenance headquarters at Morris;

Department of Education, \$850,000 for Secondary Vocational school projects, including \$70,000 for the school at Canby; \$63,000 for District 197 in Dakota County; \$68,000 for Detroit Lakes; \$105,000 for Eveleth; \$235,000 for Hutchinson; \$59,000 for Mankato; \$34,000 for Pipestone; \$85,000 for St. Paul; \$90,000 for Wadena; and \$41,000 for Winona;

State Universities system, \$3,360,000, including \$670,000 for the Bemidji campus; \$850,000 for the Mankato campus; \$80,000 for the Southwest University campus at Marshall; \$80,000 for the St. Cloud campus; \$180,000 for the Wincna campus; and \$1,500,000 for system-wide removal of asbestos fireproofing material;

Community Colleges system, \$470,000 to replace roofs system-wide;

University of Minnesota, \$21,456,300, including \$19,154,000 for the Minneapolis campus including \$15,990,000 to construct a music facility on the West Bank; \$1,000,000 for civil and mineral engineering equipment; \$1,943,000 for the Duluth campus, including \$1,200,000 for a natural resource institute contingent upon receipt of a federal grant; and \$663,000 for the preparation of working drawings for a physical education and recreational sports complex; \$43,000 for the Morris campus; \$165,300 for the Southwest Experiment Station at Lamberton; \$4,000 for the Northwest Experiment Station at Crookston; \$95,000 for the Southern Experiment Station at Waseca; \$52,000 for the Hormel Institute at Austin; and \$500,000 for the construction of a physics laboratory at Soudan contingent upon non-state money matching;

Department of Corrections, \$17,000,000, including \$15,000,000 for a new Women's Prison at Shakopee; \$700,000 for the Stillwater Prison; \$147,000 for the correctional facility at Sauk Centre; \$885,000 for the facility at St. Cloud; and \$268,000 for the facility at Red Wing;

Department of Welfare, \$2,805,000, including \$1,800,000 systemwide for roof repair and replacement and life and fire safety projects; \$490,000 for Anoka State Hospital; \$65,000 for Faribault State Hospital; and \$450,000 for Fergus Falls State Hospital;

Minnesota Historical Society, \$2,280,000, including \$110,000 for renovation of the Charles A. Lindbergh homestead; \$1,500,000 for an agriculture interpretative center at Waseca; and \$630,000 to construct an underground microfilm vault.

1984 Session

Bonding authorized by this session of the Legislature totaled \$164,722,500. The bonding bill also included authorization of direct expenditures of \$24,437,300 for repairs and betterments.

Capital expenditure authority included:

Supreme Court, \$400,000, building design competition for a new judicial building;

Department of Administration, remodel central motor pool, \$40,200; supplement to prior commitments, \$2,133,400; remove PCBs, \$1,086,100; remove asbestos, \$1,007,100; life, fire code repairs, \$2,302,500; energy conservation, including hookup for district heating of Ford building, \$1,992,600; handicapped access to state buildings, \$2,000,000; feasibility study for combined services facility, \$100,000; remodeling in Centennial building, \$1,500,000; construct Brainerd service center, \$2,831,000; and plan for Mechanics Arts High School building, \$100,000;

Capitol Area Architectural and Planning Board, \$1,700,000, including landscaping of the Capitol Mall and John Ireland Boulevard and preliminary plans for parking facilities;

Department of Natural Resources, office and storage facility, Grand Rapids, \$139,000; seedling storage at General Andrews nursery, \$74,000; expand storage building at Baudette, \$50,000; New Uim shop and warehouse, \$317,000; consolidate offices at Bemidji, Cass Lake, and Guthrie, \$100,000; New London dam reconstruction, \$126,700; convention center and dormitories at Deep Portage Conservation Reserve, \$800,000; develop River Bend nature center \$200,000; develop facilities at Long Lake conservation center, \$160,000; and construct Winger dam in Polk county, \$2,000,000;

Iron Range Resources and Rehabilitation Board, outdoor am-

phitheater at interpretative center in Chisholm, \$1,120,000;

Zoological Board, wolf and caribou exhibit, \$225,000;

Energy and Economic Development, Bagley solid waste disposal, incineration and district heating pilot project, \$1,400,000;

Military Affairs, roof replacements, \$362,500; closing of old buildings and window replacements, \$478,000; Austin armory improvements, \$77,800; and St. Paul Armory improvements, \$265,200;

Veterans Affairs, Hastings hospital repairs, \$40,100; Minneapolis hospital repairs, \$63,000;

Department of Transportation, rest area near Pine city, \$207,900; addition to Oakdale headquarters, \$986,000; storage building in New Ulm, \$263,000; storage building in Dresbach, \$270,000; storage building in Buffalo, \$325,000; storage building at Morris, \$900,000; build St. Croix interstate rest area, \$292,500; construct St. Croix weigh station, \$1,052,000; build rest area near Mahtowa, \$207,900; build storage facility at Pine River, \$238,000; construct cold storage sheds, \$65,000; construct highway information center at Chisholm, \$200,000; rest area near International Falls, \$654,400; rest area near Pigeon River, \$956,000; storage building in Chaska, \$590,000; Interstate substitution, \$4,000,000; and railroad preservation measures, \$12,000,000;

Historical Society, plan for state historical center, \$400,000; Split Rock Lighthouse, \$1,550,000; Red River Valley Center, \$1,000,000; Lake Superior Museum of Transportation and Industry, \$50,000; develop interpretative facilities, \$150,000; stabilize Grand Mound, \$75,000; historical site preservation and preventive maintenance, \$100,000; restore and preserve historical objects at Capitol, \$250,000; and repair monuments and markers, \$25,000;

Vocational Technical Education system, District 11, Anoka, \$1,046,400; District 492, Austin, \$195,300; District 31, Bemidji, \$138,400; District 181, Brainerd, \$124,000; District 891, Canby, \$22,700; District 917, Dakota County, \$34,100; District 709, Duluth, \$2,388,500; District 697, Eveleth, \$439,500; District 423, Hutchinson, \$638,700; District 77, Mankato, \$102,000; District 1, Minneapolis, \$1,700,000; District 152, Moorhead, \$495,600; District 916, White Bear Lake, \$998,100; District 625, St. Paul, \$731,300; District 793, Staples, \$76,500; District 347, Willmar, \$773,500; and District 861, Winona, \$153,000;

Community Colleges, Anoka-Ramsey, \$4,300,000; Itasca, \$175,000; Minneapolis, \$8,600,000; North Hennepin, \$2,713,000; Rainy River, \$1,200,000; Rochester, \$2,850,000; Vermillion, \$1,900,000; and systemwide repairs and betterments, \$3,300,400;

State Universities, Bemidji, \$1,280,000; Mankato, \$5,840,000; Moorhead, \$695,000; St. Cloud, \$4,305,000; Southwest, \$115,000; Winona, \$4,000,000; systemwide planning, \$100,000; and systemwide repairs and betterments, \$3,530,000;

University of Minnesota, Twin Cities campus, preliminary planning for remodeling and expanding Appleby Hall, \$420,000; preparatory work for a new electrical engineering and computer science building, \$2,700,000; animal facilities on St. Paul campus or Rosemount Experiment Station, \$4,000,000; Green Hall planning, \$656,000; remodel Smith Hall, \$21,000,000; Folwell Hall, \$855,000; Amundson Hall and Mine and Metallurgy building, \$1,200,000; remodel Mayo building \$8,160,000; music library, \$1,275,000; music performance laboratory, \$1,638,000; greenhouse, \$800,000; preliminary plans for Minneapolis campus recreational sports facilities and St. Paul gymnasium improvements, \$210,000 (This is expected to result in a facility at a cost not to exceed \$10,000,000. The law also gives authority to use non-state funds for construction of new facilities for intercollegiate football and to install an artificial playing surface in the Field House.); modify Williams arena to correct life safety deficiencies, \$621,000; heating plan, \$1,000,000; convert primary electrical system on Minneapolis campus, \$978,000; and convert electrical system on St. Paul campus, \$1,290,000;

Duluth campus, recreational, sports, and physical education facility, \$4,400,000; remodel natural resource institute, and equip Sage building, \$1,800,000; planning for engineering facilities, \$270,000; and study heating plant, \$100,000;

Mc...s, greenhouse, \$200,000;

Crookston, remodel Owen Hall, \$1,500,000; additional coal storage, \$34,000; and food service building air conditioning, \$50,000;

Waseca, general \$1,200,000;

Hornell Institute, \$237,000;

Northwest Experiment Station, Crookston, \$150,000;

Rosemount Experiment Station, \$75,000;

Waseca Experiment Station, \$114,000;

Lamberton Experiment Station, \$98,000;

Systemwide projects for handicapped access and life and fire safety, \$950,000;

Department of Corrections, Lino Lakes, \$148,000; Red Wing, \$240,000; St. Cloud, \$554,900; Sauk Centre, \$186,000; Stillwater, \$1,373,000; and Willow River, \$97,000;

Department of Public Welfare, Faribault State hospital, \$344,400; Fergus Falls, \$502,000; Moose Lake, \$810,000; St. Peter, \$300,000; roof repairs, general \$408,000; floor coverings,

general, \$650,000; systemwide furniture, \$400,000; road and parking lot repair, \$184,000; mechanical systems renovation, \$450,000; and special building contingent, \$662,000.

\$153,000 was appropriated for bond sale expenses and \$7,230,000 was allocated for interest rate reductions achieved by options, letters of credit or other contractual provisions.

The 1984 bonding bill also reduced appropriations in earlier capital expenditure bills by \$280,406,000.

Cancelled capital appropriations included \$190,000,000 in University Hospital's bonds; \$58,900,000 in transportation bonds; \$3,135,000 for purchase and remodeling the Minnesota Education Association building; \$2,500,000 for Fergus Falls State Hospital power plant conversion; \$4,525,000 for University of Minnesota music facility; and a \$1,400,000 reduction of the appropriation for construction of an agronomy and plant genetics, plant pathology and soil sciences building on the St. Paul campus.

VI. STATISTICS

The following three tables show the omnibus appropriations bills for fiscal years 1980 through 1985, adjusted to include allocations of miscellaneous appropriations to the appropriate omnibus bills. Transfers to other funds and open and standing appropriations are not included in these tables.

Table A 1 shows the 1979-1981 biennial appropriations. These

were adjusted significantly late in the biennium by executive branch actions designed to deal with revenue shortfalls. That biennial appropriation included \$243,670,800 not paid to school districts because of shortfalls. This amount was restored to the school districts by the 1981 session of the Legislature and that amount is included in the 1982 school aid appropriation in Table A 2.

Table A 1
Comparison of Direct Appropriations 1980-1981

	1980	1981	Biennial Total
State Departments	\$ 327,350,600	\$ 370,529,770	\$ 697,880,370
Education Aids	968,803,490	1,005,473,310*	1,974,276,800*
Education	397,246,964	403,667,524	800,914,488
Health, Welfare & Corrections	621,820,900	686,073,250	1,307,894,150
Transportation/Semi-States	33,641,100	50,380,100	84,021,200
Total	\$1,238,852,043	\$2,516,123,954*	\$4,864,987,008*

*In 1981, \$243,670,800 of Education Aids was not paid out by executive action to prevent a deficit. This aid was restored in the fiscal year 1982 appropriation. Thus, \$243,670,800 is carried in both bienniums, but was allocated only once - appropriated early in 1982 for the 1980-81 school year.

Table A 2
Comparison of Direct Appropriations 1982-1983

	1982	1983	Biennial Total	Biennial Increase (Decrease) From 1979-81 to 1981-83	
				Amount	Percent
State Departments	\$ 292,788,900	\$ 238,489,000	\$ 531,278,900	\$(166,601,470)	(31.3)%
Education Aids	1,401,172,400*	707,736,500	2,108,908,900*	134,632,100**	6.8
Education	421,980,000	476,954,000	898,934,000	98,019,512	12.2
Health, Welfare & Corrections	779,959,000	784,992,100	1,564,951,100	257,056,950	19.7
Transportation/Semi-States	56,096,800	62,673,100	118,770,200	34,759,000	41.3
Deficiencies	26,500,000	69,439,800	95,939,800	95,939,800	
Totals	\$2,978,497,100*	\$2,340,284,800	\$5,318,781,900*	\$ 453,794,900	9.33%

*Restoration of School Aids

**Not adjusted for restoration of school aids.

Table A 3
Comparison of Direct Appropriations 1984-1985

	1984	1985	Biennial Total	Biennial Increase (Decrease) From 1981-83 to 1983-85	
				Amount	Percent
State Departments	\$ 302,369,700	\$ 353,689,700	\$ 656,059,400	\$ 124,780,500	23.5%
Education Aids	1,133,886,700	1,162,845,700	2,296,732,400	187,823,500	8.9
Education	534,077,600	555,890,400	1,089,968,000	191,034,000	21.3
Health, Welfare & Corrections	1,001,104,800	982,807,400	1,983,912,200	418,961,100	26.8
Transportation/Semi-States	87,326,800	84,924,400	172,251,200	53,481,000	45
Deficiencies	(745,000)	14,782,000	14,037,000	(81,902,800)	(65)
Totals	\$3,058,020,600	\$3,154,939,600	\$6,212,960,200	\$ 894,178,300	16.8%

Table B
Miscellaneous Appropriations Bills 1984

These are the appropriation bills passed in the 1984 legislative session. The bills are allocated and included in the omnibus bill tables, the open and standing appropriations, and the transfers, respectively, but are shown here because they involve specific

1984 session actions. Miscellaneous bills from previous sessions are allocated to the appropriate omnibus, open and standing, or transfer tables.

Chapter	1984 Legislature
456	Education Aids \$ 6,005,700
456	Teacher Education Study 20,000
456	School Reserve Account 21,700,000
654	Transfer of Motor Vehicle Excise Revenues to Transportation Dept. 50,950,000
654	Education Dept. 1,838,000
654	Super Computer Institute 1,600,000
654	University of Minnesota 1,875,000
654	Vocational Technical System 100,000
654	HECB Student Grant Shortfall 5,000,000
654	Day Care Sliding Fee 1,500,000
654	General Assistance Jobs 7,741,000
654	Welfare Dept. 5,627,700
654	Jobs, General Assistance 19,803,000
654	Jobs Program 30,000,000
654	Economic Security Dept. 378,600
654	Corrections Dept. 152,700
654	Health 193,000
654	State Planning 200,000
654	Junkyard Screening 250,000
654	Transportation Dept. (42,500)
654	Public Safety Dept. 250,700
654	Commerce Dept. 348,500
654	Boxing Board 22,800
654	Public Service Dept. 85,000
654	Voyageurs National Park 33,500
654	Historical Society 116,500
654	Arts Board 105,000
654	Agriculture Dept., Trade & Export 250,000
654	Agriculture Dept. 278,000
654	Veterans of Foreign Wars 5,000
654	Uniform Laws Commission 4,000
654	Legislative Reference Library 94,100
654	Legislative Commission on Energy 20,000
654	Legislative Coordinating Commission 6,300
654	Supreme Court 90,500
654	Judicial Standards Board 111,100
654	Public Defender 80,000
654	Board of Public Defense 144,500
654	Secretary of State 50,000
654	Attorney General, Superfund 47,300
654	Telecommunications Policy Council 250,000
654	Minnesota Horizons 50,000
654	State Planning 108,000
654	Administration, Public Broadcasting 2,300,000
654	Regional Waste Disposal 7,000,000

Chapter	1984 Legislature
654	Administration Dept. 703,000
654	State Employee Insurance 127,300
654	Minnesota Zoo 663,900
654	Wastewater 342,800
654	Waste Tire Collection 252,000
654	Economic Recovery Grants 6,000,000
654	Marketing Minnesota 1,100,000
654	Alternative Energy Products 920,600
654	Bayfront Development, Duluth 150,000
654	District Heating Debt Service 279,000
654	Business Services 273,100
654	Manufacturing Growth Council 60,000
654	Commercial Development Corporation 500,000
654	World Convention Center 250,000
654	High Technology Corridor 6,000,000
654	Energy & Development Dept. 842,000
654	World Trade Center 575,000
654	Veterans Affairs Dept. 1,191,300
654	Labor & Industry Dept. 222,700
654	Human Rights Dept. 362,500
654	Indian and Emergency Housing 2,750,000
654	Natural Resources Dept. 2,320,000
654	Weatherization 1,000,000
654	Legislative, Judicial, and Constitu- tional Officers' Salary Increases 1,019,600
654	Indian Affairs Burial Ground 40,000
654	Reduce Executive Contingency (5,000,000)
644	Pollution Control Agency 1,315,000
627	Sheltered Workshops 51,000
616	Compulsive Gamblers 50,000
641	Nursing Home Rates 1,883,000
641	Insurance Division 93,400
641	Labor & Industry Dept. 197,200
539	Attorney General 600,000
594	Insurance 93,400
481	Labor & Industry Dept. 197,200
647	3-Wheeler Safety 185,000
638	Legislative Auditor 95,700
572	Public Safety Dept. 174,500
534	Administrative Welfare Aids 2,000,000
534	Omnibus Health 786,000
569	Agriculture Dept. 10,000
459	Public Service Dept. 50,000
564	Pension Equity Act (1,826,700)
597	Capital Budget, Repairs 24,438,000
486	Claims 25,400

Table C 1
Open and Standing Appropriations, 1982, 1983

The C 1, C 2, and C 3 tables involve open and standing appropriations. Some of these items are direct appropriations, involving transfers to other funds and pension plans. These are listed as open and standing because the obligation is formula driven.

Comparison and analysis of this data should be approached with caution. The data involves a number of payment shifts into a future year and several significant law changes.

	Fiscal Year 1982	Fiscal Year 1983	Biennial Total 1981-83
Aids and Credits			
Property Tax Refund			
Homeowners—Senior & Disabled	\$ 33,400,000	\$ 3,958,000*	\$ 37,358,000
Other	26,500,000	32,040,000	58,540,000
Renters—Senior & Disabled	29,900,000	0*	29,900,000
Renters—Other	92,200,000	2,887,000*	95,087,000
Targeted Property Tax Relief	10,700,000	8,500,000	19,200,000
Low Income Credit	13,940,000	14,050,000	28,000,000
School Agricultural Credit	68,413,000	63,702,000	132,115,000
Aid to Local Government	202,900,000*	240,725,500	443,625,500
Attached Machinery Aid	11,500,000	10,557,100	22,057,100
Supplemental Homestead Credit	778,450	1,071,050	1,849,500
Homestead Credit	436,800,000	359,774,175*	796,574,175
Aid to Police and Fire	22,027,300	21,901,000	43,928,300
Reduced Assessment Credit	10,000,000	10,644,041	20,644,041
Wellands Property Tax Reduction	3,200,000	3,228,859	6,428,859
Native Prairie Credit	100,000	85,900	185,900
Payments in Lieu of Taxes on DNR Land	0*	4,350,000	4,350,000
Disaster Credit	0	0	0
Agricultural Presentation Credit	0	0	0
Railroad Property Tax Reimbursement	0	0	0
Total	\$ 962,358,750	\$ 777,484,625	\$ 1,739,843,375
Other			
Debt Service—New Authority	\$ 12,629,900	\$ 34,014,600	\$ 46,644,500
Short Term Borrowing Costs	33,072,000	81,379,400	114,451,400
Leech Lake White Earth	283,300	404,465	687,765
Weber Compensation	1,200	1,200	2,400
Family Farm Security		700,000	700,000
Total	\$ 45,986,400	\$ 116,499,665	\$ 162,486,665
Retirements			
Legislators Retirement	\$ 903,700	\$ 1,755,000	\$ 2,658,700
Judges Retirement	1,181,000	2,197,500	3,378,500
Constitutional Officers Retirement	86,400	86,400	172,800
Mn. State Retirement System	60,000	55,000	115,000
Public Employees Retirement	40,000	35,000	75,000
Minneapolis Pension Reimbursement	3,959,400	5,214,700	9,174,100
Local Police/Fire Amortization	6,536,200	6,536,800	13,073,000
Teachers Statewide	76,535,000	55,268,000	131,803,000
Teachers/Cities First Class	17,019,000	14,448,200	31,467,200
Teachers Social Security	67,515,800	73,682,200	141,198,000
Pre-1973 Retirement Adjustment	5,785,300	5,514,700	11,300,000
Other Retirement Reductions		(12,373,600)	(12,373,600)
Pension Fund Reimbursement		8,480,000	8,480,000
Reimburse Pension Contributions			0
Other Pension Funds	8,486,200		8,486,200
Pension Equity Act			
Total	\$ 188,108,000	\$ 160,899,900	\$ 349,007,900

	Fiscal Year 1982	Fiscal Year 1983	Biennial Total 1981-83
Mining Apportionment			
Property Tax Relief	\$ 7,673,800*	\$ 18,125,000	\$ 25,798,800
Municipal Aid Fund	6,371,000	6,695,000	13,066,000
County Roads and Bridges	3,020,000	3,016,800	6,036,800
School Districts	15,068,500	21,743,000	36,811,500
Cities and Towns	1,294,900	1,360,800	2,655,700
County	11,719,600	11,712,600	23,432,200
Railroads	3,160,900	3,160,900	6,321,800
Iron Range Municipality and School Assn.	103,600	212,500	212,500
Taconite Environmental Protection Fund	19,767,500	10,189,400	29,956,900
Iron Range Resources and Rehabilitation Bd	4,035,800	3,776,100	7,811,900
Northeast Mn. Economic Protection Fund	9,700,500	1,925,400	11,625,900
Total	\$ 81,916,100	\$ 81,813,900	\$ 163,730,000
Summary			
Aids and Credits	\$ 962,358,750	\$ 777,484,625	\$1,739,843,375
Other	45,986,400	116,499,665	162,486,065
Retirements	188,108,000	160,899,900	349,007,900
Mining Apportionment	81,916,100	81,813,900	163,730,000
Total	\$1,278,369,250	\$1,136,698,090	\$2,414,707,340

*These payments were shifted into fiscal year 1984.

Table C 2
Open and Standing Appropriations, 1984, 1985

	Fiscal Year 1984	Fiscal Year 1985	Biennial Total 1983-85
Aids and Credits			
Property Tax Refund			
Homeowners—Senior & Disabled	\$ 56,100,000	\$ 55,600,000	\$ 111,700,000
Homeowners—Other	33,275,700	45,000,000	78,275,700
Renters—Senior & Disabled	0	0	0
Renters—Other	97,301,000	83,500,000	180,801,000
Targeted Property Tax Relief	0	19,000,000	19,000,000
Low Income Credit	10,000,000	10,000,000	20,000,000
School Agricultural Credit	95,581,200	97,633,500	193,214,700
Aid To Local Government	270,394,700	273,724,700	544,119,000
Attached Machinery Aid	11,161,800	5,128,100	16,289,900
Supplemental Homestead Credit	1,074,400	1,111,100	2,185,500
Homestead Credit	507,719,100	510,509,100	1,018,228,200
Aid to Police and Fire	22,352,600	23,920,900	46,273,400
Reduced Assessment Credit	14,469,100	870,500	15,339,600
Wetlands Property Tax Reduction	3,782,700	1,159,300	4,942,000
Native Prairie Credit	132,700	158,100	290,800
Payments in Lieu of Taxes on DNR Land	4,284,500	4,440,500	8,725,000
Disaster Credit	0	462,600	462,600
Agricultural Preservation Credit	114,900	148,800	263,700
Railroad Property Tax Reimbursement	0	6,600,000	6,600,000
Total	\$1,127,744,000	\$1,138,967,100	\$2,266,711,100
Other			
Debt Service—New Authority	\$ 7,830,100	\$ 52,404,900	\$ 60,235,000
Short Term Borrowing Costs	25,000,000	12,300,000	37,300,000
Leech Lake White Earth	496,000	450,700	946,700
Weber Compensation	1,200	1,200	2,400
Family Farm Security	0	0	0
Total	\$ 33,327,300	\$ 65,156,800	\$ 98,484,100

	Fiscal Year 1984	Fiscal Year 1985	Biennial Total 1983-85
Retirements			
Legislators Retirement	\$ 1,156,000	\$ 2,172,500	\$ 3,328,500
Judges Retirement	1,721,000	2,174,500	3,895,500
Constitutional Officers Retirement	98,000	105,800	203,800
Mn. State Retirement System	46,000	41,000	87,000
Public Employees Retirement	33,000	30,000	63,000
Minneapolis Pension Reimbursement	6,610,900	7,150,000	13,760,900
Local Police/Fire Amortization	6,536,800	6,536,800	13,073,600
Teachers Statewide	85,743,000	92,138,700	177,881,700
Teachers/Cities First Class	18,235,200	19,041,600	37,276,800
Teachers Social Security	80,206,900	86,436,400	166,643,300
Pre-1973 Retirement Adjustment	5,246,000	5,456,500	10,702,500
Other Retirement Reductions			0
Pension Fund Reimbursement	1,320,000		1,320,000
Reimburse Pension Contributions		600,000	600,000
Other Pension Funds			0
Pension Equity Act		(1,826,700)	(1,826,700)
Total	\$ 206,952,800	\$ 220,057,100	\$ 427,009,900
Mining Apportionment			
Property Tax Relief	\$ 18,800,000	\$ 9,800,000	\$ 28,600,000
Municipal Aid Fund	6,701,700	5,938,100	12,639,800
County Roads and Bridges	3,043,100	2,697,100	5,740,200
School Districts	19,975,500	18,073,000	38,048,500
Cities and Towns	1,362,100	1,206,900	2,569,000
County	11,814,100	10,470,300	22,284,700
Railroads	3,160,900	3,160,900	6,321,800
Iron Range Municipality and School Assn.	109,000	87,700	196,700
Taconite Environmental Protection Fund	6,029,600	12,863,600	18,893,200
Iron Range Resources and Rehabilitation BD	3,747,300	3,581,500	7,328,800
Northeast Mn. Economic Protection Fund	574,200	4,391,100	4,965,300
Total	\$ 75,317,500	\$ 72,270,500	\$ 147,588,000
Summary			
Aids and Credits	\$1,127,744,000	\$1,138,967,100	\$2,266,711,100
Other	33,327,300	65,156,800	98,484,100
Retirements	206,952,800	220,057,100	427,009,900
Mining Apportionment	75,317,500	72,270,500	147,588,000
Total	\$1,443,341,600	\$1,496,451,500	\$2,939,793,100

Table C 3
Open and Standing Appropriations, Comparison 1981-1983 and 1983-1985

	1981-83 Biennium	1983-85 Biennium	Difference	Percent Increase (Decrease)
Aids and Credits	\$1,739,843,375	\$2,266,711,100	\$526,867,725	30.28
Other	162,486,065	98,484,100	(64,001,965)	(39.39)
Retirements	349,007,900	427,009,900	78,002,000	22.35
Mining Apportionment	163,730,000	147,588,000	(16,142,000)	(9.86)
Total	\$2,414,707,340	\$2,939,793,100	\$524,725,760	21.73

Table D
Federal Funds — 1981-83, 1983-85 Bienniums

	Total fy 80-81 Federal Funds	Total fy 82-83 Federal Funds	Increase or (decrease) Prior Biennium	Percent increase (decrease)	Total fy 84-85 Federal Funds	Increase or (decrease) Prior Biennium	Percent increase (decrease)
Other State Depts	\$ 70,543,400	\$ 60,623,300	\$ (9,920,100)	(14.06%)	\$ 91,280,200	\$ 30,656,900	50.57%
Trans. Central Office	327,081,300	43,610,100	(283,471,200)	(86.67%)	35,142,100	(8,468,000)	(19.42%)
Semi States	1,355,800	1,470,600	114,800	8.47%	1,328,000	(142,600)	(9.70%)
Education Aids	230,300,600	259,837,800	29,537,200	12.83%	231,558,500	(28,279,300)	(10.88%)
Educ.-Other than Aids	46,868,100	62,248,100	15,380,000	32.82%	27,394,200	(34,853,900)	(55.99%)
Health, Welfare, Corr.	1,243,470,200	1,591,790,000	348,319,800	28.01%	2,070,633,100	478,843,100	30.08%
Minn State Senate	15,600		(15,600)	(100.00%)	22,200	22,200	
Supreme Court	232,300		(232,300)	(100.00%)			
MEEC	679,200	332,200	(347,000)	(51.09%)	422,100	89,900	27.06%
Total	<u>\$1,920,546,500</u>	<u>\$2,019,912,100</u>	<u>\$ 99,365,600</u>	5.17%	<u>\$2,457,780,400</u>	<u>\$437,868,300</u>	21.68%

Table E
General Fund Resources and Expenditures, 1981-83 and 1983-85

The following is the balance sheet for the 1981-83 biennium and the 1983-85 biennium. The 1981-83 biennium involves estimates of revenues and expenditures at specific points of time and do not coincide with actual revenues or expenditures or estimates made at different points in time. Essentially, fiscal year

1982 estimates were used as of March 29, 1982, and fiscal year 1983 data were taken from estimates made January 19, 1983.

The budgeted surplus shown for the 1981-83 biennium is substantially different from the carry forward into the 1983-85 biennium. This results from missed estimates, not law changes.

	1981-83 Biennium	1983-85 Biennium
Estimated Resources		
Adjusted Estimated Cash Balance	\$ 4,090,000 (3/29/82)	\$ 88,913,500** (4/25/84)
Taxes and Receipts		
Individual Income	4,292,500,000	5,445,300,000
Corporation Income	658,995,000	731,200,000
Sales Tax—General	1,869,000,000	2,644,100,000
Bank Excise	79,900,000	82,000,000
Estate Tax	41,435,000	30,436,200
Liquor, Wine and Beer	111,692,900	110,889,600
Cigarettes and Tobacco Products	176,309,800	170,259,700
Iron Ore Occupation	2,205,000	1,425,200
Taconite Occupation	11,390,000	18,100,000
Court Ordered Settlements	0	(12,000,000)
Taconite Production	178,412,800	139,845,200
Royalty Taxes	9,108,900	7,661,500
Deed and Mortgage Registration	33,100,000	58,600,000
Insurance Gross Premiums	139,072,000	146,600,000
Telephone, Railroad and Other Gross Earnings	178,906,500	147,443,200
Other Gross Earnings	0	382,800
Motor Vehicle Excise	209,375,000	378,000,000
Care and Hospital Department Earnings	238,242,700	7,448,500
Other Department Earnings	84,967,000	98,000,000
Investment Income	69,722,000	85,445,500
Income Tax Reciprocity	22,060,800	29,925,000
Other Non-Dedicated Revenue	64,455,000	83,400,000
All Other Items	42,265,000	16,721,200
Total	\$8,513,115,400	\$10,421,183,600
Transfers From Other Funds		
Public Welfare	\$ 30,736,200	\$ 33,079,800
LCMR Federal Reimbursement	4,295,300	1,487,900
Gas Tax Reimbursement	1,823,200	2,130,300
Other Special Revenue Funds	4,575,000	2,559,000
All Other Transfers	1,178,000	6,234,000
Admin. Revolving Fund Retained Earnings	3,567,200	4,617,600
Total	\$ 46,174,900	\$ 50,108,600
Tax and Receipts Changes—1984 Session		
Individual Income	\$ 0	(\$ 287,400,000)
Corporate Income	0	(3,500,000)
Sales Tax—General	0	(2,510,000)
Charitable Gambling Tax	0	4,900,000
Care and Hospital Department Earnings	0	1,051,300
Departmental Earnings	0	3,196,700
Sale of Rochester State Hospital Site	0	14,000,000
Total	0	(270,262,000)
Revenue Refunds		
Regular Income Tax Refunds*	(\$ 594,800,000)*	(\$ 673,500,000)*
Refund Change 1984 Session	0	(41,000,000)
Corporate Income Tax Refunds	(113,800,000)	(79,700,000)
Sales Tax Refunds	(5,420,000)	(9,432,600)
Sales Tax Refund Change 1984	0	(6,000,000)
Other Refunds	(24,264,500)	(22,279,900)
Total	(\$ 738,284,500)	(\$ 831,912,500)

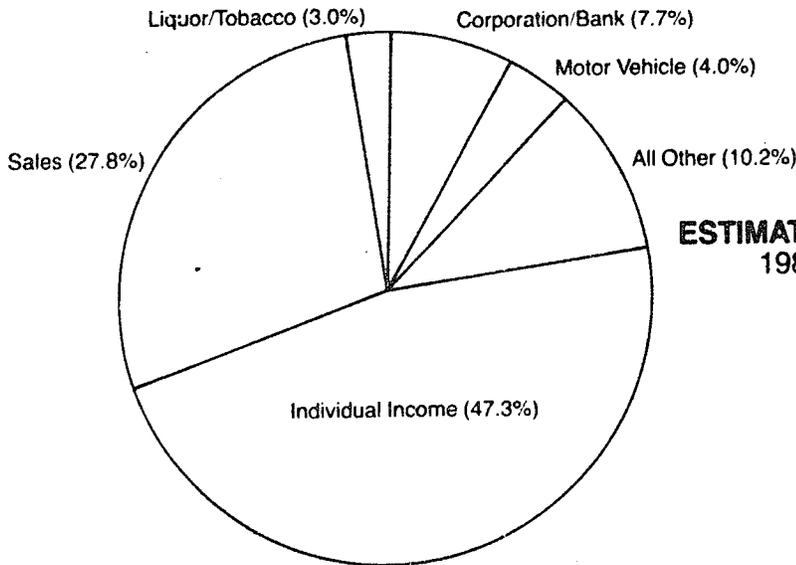
	1981-83 Biennium	1983-85 Biennium
Dedicated Revenue		
U of M Tuition and Fees	\$ 204,869,600	\$ 245,203,800
Community Colleges Tuition and Fees	41,978,900	50,057,200
State University Tuition and Fees	74,572,100	107,688,700
M.A. Reimbursements From Counties	84,884,600	111,108,500
M.A. Payments to Hospitals	0	276,861,500
Miscellaneous Dedicated	2,219,700	7,100,000
Total	<u>\$ 408,524,900</u>	<u>\$ 798,019,700</u>
Dedicated Expenditures		
U of M Tuition and Fees	\$ (204,869,600)	\$ (245,203,800)
Community Colleges Tuition and Fees	(41,978,900)	(50,057,200)
State University Tuition and Fees	(74,572,100)	(107,688,700)
M.A. Reimbursements From Counties	(84,884,600)	(111,108,500)
M.A. Payments to Hospitals	0	(276,861,500)
Miscellaneous Dedicated	(2,219,700)	(7,100,000)
Total	<u>\$ (408,524,900)</u>	<u>\$ (798,019,700)</u>
Total Session Changes	\$ 0	(\$ 270,262,000)
Total Taxes and Receipts	8,559,290,300	10,471,292,200
Total Refunds	(738,284,500)	(831,912,500)
Dedicated Revenue	408,524,900	798,019,700
Dedicated Expenditures	<u>(408,524,900)</u>	<u>(798,019,700)</u>
Total Estimated Resources (Including Carry-Forward)	<u>\$7,825,095,800</u>	<u>\$ 9,458,031,200</u>
Estimated Expenditures		
Omnibus Appropriation Bills		
State Departments	\$ 531,277,900	\$ 655,819,400
Semi-State Activities	118,770,200	171,695,200
Health—Welfare—Corrections	1,564,951,100	1,983,912,200
Education—School Aids	1,869,796,900	2,298,747,400
Other Than School Aids	898,934,000	1,089,970,000
School Aid Restoration—FY 1981	243,670,800	
Deficiencies	95,939,800	14,037,000
Total	<u>\$5,323,340,700</u>	<u>\$ 6,214,181,200</u>
Transfers To Other Funds		
Taconite Environmental Protection Fund	\$ 29,956,900	\$ 18,893,200
N.E. Economic Protection Fund	11,625,900	4,965,300
Debt Service	214,014,300	255,700,300
All Other	37,463,600	66,819,200
Total	<u>\$ 293,060,700</u>	<u>\$ 346,378,000</u>
Miscellaneous		
Motor Vehicle Excise Tax Transfer		\$ 50,950,000
Funded Budget Reserves		401,890,500
Unallotted Balance Forward	\$ 14,908,300	\$ 16,217,300
Total	<u>\$ 14,908,300</u>	<u>\$ 469,057,800</u>
Open and Standing Appropriations (Existing Law)	\$2,301,947,100***	\$ 2,441,536,700***

	1981-83 Biennium	1983-85 Biennium ¹
Additional Tax Relief and Changes—1984 Session		
Agricultural Credit Increase		\$ 850,000
Charitable Gambling Control Board		556,000
Industrial Expansion Grants		3,500,000
LGA Shortfall Funding		3,337,000
Levy Limit Population Expansion		119,000
Payments In Lieu—DNR Land		156,000
Railroad Property Tax Reimbursement		3,100,000
Reimbursement for Recomputing Statements		45,000
Split Classification Treatment		1,000,000
Targeted Property Tax Relief		12,000,000
Tax Study Commission		240,000
Town Aids—One Mill Threshold		874,000
Total	\$ 0	\$ 25,777,000
Total Appropriation Liability	7,933,256,800	9,496,930,700
Less Estimated Cancellations	(44,533,215)	(45,000,000)
Net Appropriation Liability	\$7,888,723,585	\$ 9,451,930,700
Estimated General Fund Balance, June 30	\$ (63,627,785)**	\$ 6,100,500

*Low income alternative not included

**The difference between the deficit shown for the 1981-83 biennium and the \$88,913,500 carried forward shown for the 1983-85 biennium is due to revenue collections in excess of the estimates

***Includes low income alternative expenditures



ESTIMATED EXPENDITURES
1983-85 Biennium \$9,496,930,700

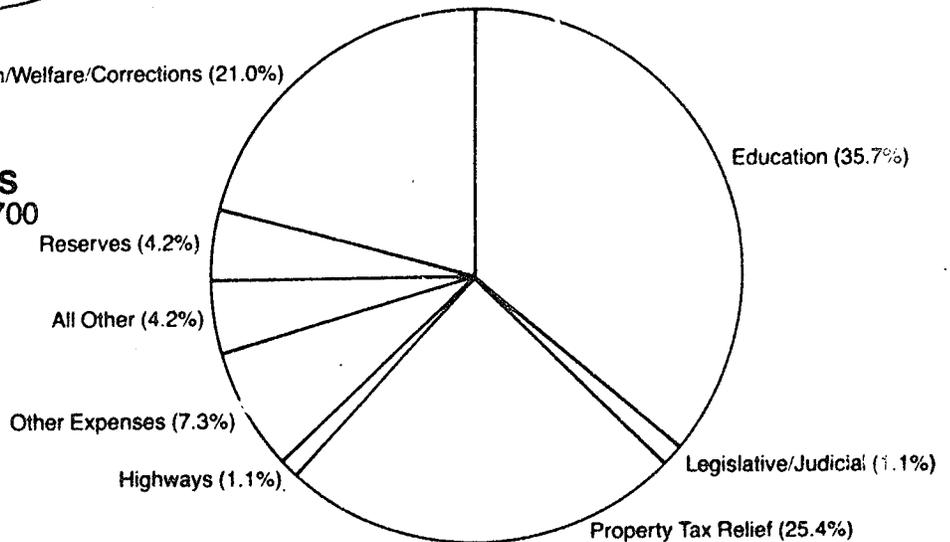


Table F
Summary of Appropriations
1980-1981, 1982-1983, and 1984-1985
—By Fund—

Fund	Fiscal Year		
	1980-81	1982-83	1984-85
General	\$ 7,247,551,006	\$ 7,682,445,385	\$ 9,095,040,204
Trunk Highway	462,859,509	760,619,424	1,243,840,600
Highway User	15,665,800	18,656,233	14,595,800
Game & Fish	38,197,900	52,232,837	65,928,621
State Parks Endowment	2,400,000	4,801,000	6,001,000
Wildlife Acquisition	1,230,000	1,400,000	1,319,600
State Airports	16,399,800	25,946,647	19,825,500
Consolidated Conservation	1,000,000	1,000,000	1,000,000
Permanent University Trust	5,000,000	5,000,000	5,000,000
County State Aid	188,450,000	267,162,853	318,300,000
Municipal State Aid	61,600,000	95,167,524	105,600,000
Endowment School	32,000,000	50,000,000	50,000,000
Employment Security			
Miscellaneous Special	1,496,200	3,218,900	7,965,300
General Dedicated	246,733,314	408,524,900	808,019,700
Forest Management			7,215,700
Snowmobile Trails			4,900,400
Subtotal	<u>\$ 8,320,583,529</u>	<u>\$ 9,376,175,703</u>	<u>\$11,754,552,425</u>
Federal Funds	<u>\$ 1,920,546,500</u>	<u>\$ 2,019,912,100</u>	<u>\$ 2,457,780,400</u>
Total All Funds	<u>\$10,241,130,029</u>	<u>\$11,396,087,803</u>	<u>\$14,212,332,825</u>

Table G 1
Summary of Legislative Appropriations by Function
1979-1980, 1981-1982 Legislatures

	1979-80 Legislature	1981-82 Legislature	Increase (Decrease) Over Prior Biennium	Percent Increase (Decrease)
Property Tax Relief, Shared Taxes and Aids to Local Governments	\$ 1,828,742,100	\$ 1,842,842,028	\$ 14,099,928	0.77%
Education				
Department of Education	56,941,300	44,856,582	(12,084,718)	(21.22%)
School Aids	2,344,307,025	2,261,106,481	(83,200,544)	(3.55%)
State Community Colleges	73,731,557	74,099,255	367,698	0.50%
State Universities	153,613,415	155,444,802	1,831,387	1.19%
University of Minnesota	444,002,316	449,224,073	5,221,757	1.18%
Higher Education Coordination Board	97,653,700	94,444,349	(3,209,351)	(3.29%)
Miscellaneous Education	521,405,214	652,177,700	130,772,486	25.08%
Total Education	<u>\$ 3,691,654,527</u>	<u>\$ 3,731,353,242</u>	<u>\$ 39,698,715</u>	1.08%
Welfare, Corrections, and Health				
Department of Public Welfare	\$ 1,122,560,950	\$ 2,796,316,733	\$ 1,673,755,783	149.1%
Department of Corrections	114,706,400	126,531,763	11,825,363	10.31%
Department of Health	49,710,630	100,781,491	51,070,861	102.74%
Department of Economic Security	47,590,800	280,047,161	232,456,361	488.45%
Miscellaneous	1,246,540,800		(1,246,540,800)	(100.00%)
Total Welfare, Corrections and Health ..	<u>\$ 2,581,109,580</u>	<u>\$ 3,303,677,148</u>	<u>\$ 722,567,568</u>	27.99%
Highways and Mass Transit				
Department of Transportation Policy and Planning and Technical and General Support	\$ 31,317,600	\$ 2,267,675	\$ (29,049,925)	(92.76%)
Highways	605,137,800	1,181,231,957	576,094,157	95.20%
Aeronautics	18,487,000	25,946,647	7,459,647	40.35%
Miscellaneous	46,355,400		(46,355,400)	(100.00%)
Federal Funds	327,081,300	43,610,100	(283,471,200)	(86.67%)
Total Highways and Mass Transit	<u>\$ 1,028,379,100</u>	<u>\$ 1,253,056,379</u>	<u>\$ 224,677,279</u>	21.85%
Other Executive Branch Functions				
Governor and Lieutenant Governor	\$ 3,264,300	\$ 3,268,558	\$ 4,258	1.3%
General State Government	404,886,400	541,944,653	137,058,253	33.85%
Protection to Persons and Property	173,945,400	130,059,241	(43,886,159)	(25.23%)
Natural Resources	163,189,370	202,175,770	38,986,400	23.89%
Agriculture	51,530,100	21,891,225	(29,638,875)	(57.52%)
Total Other Executive Branch Functions	<u>\$ 796,815,570</u>	<u>\$ 899,339,447</u>	<u>\$ 102,523,877</u>	12.87%
Other				
Legislative	\$ 46,098,800	\$ 51,112,042	\$ 5,013,242	10.87%
Judicial	35,558,700	40,579,499	5,020,799	14.12%
Miscellaneous	232,771,652	274,147,718	41,376,066	17.78%
Total Other	<u>\$ 314,429,152</u>	<u>\$ 365,839,259</u>	<u>\$ 51,410,107</u>	16.35%
Total Appropriations	<u>\$10,241,130,029</u>	<u>\$11,396,087,803</u>	<u>\$ 1,154,957,774</u>	11.28%

Table G 2
Summary of Legislative Appropriations by Function
1981-1982, 1983-1984 Legislatures

	1981-82 Legislature	1983-84 Legislature	Increase (Decrease) Over Prior Biennium	Percent Increase (Decrease)
Property Tax Relief, Shared Taxes and Aids to Local Governments	\$ 1,842,842,028	\$ 2,374,859,800	\$ 532,017,772	28.87%
Education				
Department of Education	\$ 44,856,582	\$ 51,648,200	\$ 6,791,618	15.14%
School Aids	2,261,106,481	2,383,277,700	122,171,219	5.40%
State Community Colleges	74,099,255	106,336,00	32,236,745	43.50%
State Universities	155,444,802	213,828,300	58,383,498	37.56%
University of Minnesota	449,224,073	600,450,600	151,226,527	33.66%
Higher Education Coordination Board	94,444,349	122,819,300	28,374,951	30.04%
Miscellaneous Education	652,177,700	677,324,500	25,146,800	3.85%
Total Education	<u>\$ 3,731,353,242</u>	<u>\$ 4,155,684,600</u>	<u>\$ 424,331,358</u>	11.37%
Welfare, Corrections, and Health				
Department of Public Welfare	\$ 2,796,316,733	\$ 3,610,310,500	\$ 813,993,776	29.11%
Department of Corrections Institutions	126,531,763	163,173,500	36,641,737	28.96%
Department of Health	100,781,491	117,724,100	16,942,609	16.81%
Department of Economic Security	280,047,161	192,025,900	(88,021,261)	(31.43%)
Miscellaneous				
Total Welfare, Corrections and Health	<u>\$ 3,303,677,148</u>	<u>\$ 4,083,234,000</u>	<u>\$ 779,556,852</u>	23.6%
Highways and Mass Transit				
Department of Transportation Policy and Planning and Technical and General Support	\$ 2,267,675		\$ (2,267,675)	(100.00%)
Highways	1,181,231,957	\$ 1,782,425,500	601,193,543	50.9%
Aeronautics	25,946,647	19,825,500	(6,121,147)	(23.59%)
Miscellaneous				
Federal Funds	43,610,100	35,142,100	(8,468,000)	(19.42%)
Total Highway and Mass Transit	<u>\$ 1,253,056,379</u>	<u>\$ 1,837,393,100</u>	<u>\$ 584,336,721</u>	46.63%
Other Executive Branch Functions				
Governor and Lieutenant Governor	\$ 3,268,558	\$ 4,725,100	\$ 1,456,542	44.56%
General State Government	541,944,653	1,063,136,700	521,192,047	96.17%
Protection to Persons and Property	130,059,241	152,359,500	22,300,259	17.15%
Natural Resources	202,175,770	255,061,321	52,885,551	26.16%
Agriculture	21,891,225	35,423,800	13,532,575	61.82%
Total Other Executive Branch Functions	<u>\$ 999,339,447</u>	<u>\$ 1,510,706,421</u>	<u>\$ 611,366,974</u>	67.98%
Other				
Legislative	\$ 51,112,042	\$ 57,507,103	\$ 6,395,058	32.02%
Judicial	40,579,499	48,961,404	8,381,905	20.66%
Miscellaneous	274,147,718	133,985,400	(140,161,318)	(51.13%)
Total Other	<u>\$ 365,839,259</u>	<u>\$ 250,454,904</u>	<u>\$ (115,384,355)</u>	(31.54%)
Total Appropriations	<u>\$11,396,087,803</u>	<u>\$14,212,332,825</u>	<u>\$2,816,245,022</u>	24.71%

Table H 1

**Appropriations All Funds
1979-81 and 1981-83 Bienniums**

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Tax Relief & Local Govt. Aid			
Aid to Police & Fire Depts.	\$ 40,150,000	\$ 45,324,780	\$ 5,174,780
Local Police & Fire Amortization		13,073,082	13,073,082
Pension Reimbursement—Minneapolis	5,600,000	10,164,717	4,564,717
Leech Lake White Earth Reservation		687,765	687,765
Railroad Property Tax Relief			
Agricultural Preservation Credit			
Disaster Credit			
Supplementary Property Tax Relief			
School Energy Conservation			
School Agricultural Credit	95,107,000	132,267,200	37,160,200
Homestead Credit			
School Districts	309,303,000	321,932,190	12,629,190
Other Taxing Districts	305,315,000	474,642,560	169,327,560
Attached Machinery			
School Districts	2,100,156	3,012,300	912,144
Other Taxing Districts	20,724,844	19,044,800	(1,680,044)
Reduced Assessment Credit			
Aid to School Districts		6,357,841	6,357,841
Cities, Towns, Counties		14,286,200	14,286,200
Low Income Credit	37,428,000	28,000,000	(9,428,000)
Renters Credit	159,005,000	95,087,000	(63,918,000)
Sr. Cit., Dis.-Homeowners & Renters	145,453,000	67,258,000	(78,195,000)
Property Tax Refund Other	126,434,000	58,540,000	(67,894,000)
Targeting/Prop. Tax Increases	3,400,000	19,200,000	15,800,000
Wetlands Property Tax Refund			
Aids to School Districts		2,891,299	2,891,299
Cities, Towns, Counties		3,537,560	3,537,560
Native Prairie Cr. & Reimb.			
Aid to School Districts		82,644	82,644
Cities, Towns, Counties		103,290	103,290
Payments in Lieu of Taxes-DNR Lands	9,405,000	4,350,000	(5,055,000)
Aids to Local Govts.	482,177,300	443,625,500	(38,551,800)
Apportionments			
Inheritance	5,718,000		(5,718,000)
Mining Apportionments			
Taconite Homestead Credit	33,215,000	27,648,300	(5,566,700)
Municipal Aid	12,922,000	13,066,000	144,000
County Road & Bridge	5,248,000	6,036,800	788,800
Cities & Towns	2,584,000	2,655,700	71,700
County	20,924,000	23,432,200	2,508,200
Railroads	6,321,800		6,321,800
Municipality & School Assn.	207,000	212,500	5,500
Total Property Tax Relief and			
Aids to Local Governments	<u>\$1,828,742,100</u>	<u>\$1,842,842,028</u>	<u>\$ 14,099,928</u>
Education			
Department of Education	\$44,543,400		\$(44,543,400)
Early Childhood—CPE	3,417,000		(3,417,000)
Venture Fund Grants	1,550,000		(1,550,000)
Bilingual Education	400,000		(400,000)
Native American Education	998,000		(998,000)
Alcohol Fuel Conv. Grants	30,000		(30,000)
Indian Language & Cul. Prog.	600,000		(600,000)
Indian Education	398,000	\$ 925,711	527,711
Out of School Study	33,000		(33,000)
Grants-Handicapped Adult Prog.	75,000		(75,000)
Chemical Dependency	1,000,000		(1,000,000)
ESV Computer Council	130,000		(130,000)

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Vocational Education	191,200		(191,200)
Student Organz. Center	455,000		(455,000)
Agriculture Coord.	220,700		(220,700)
Voc Tech Instruction		5,621,677	5,621,677
Special Services		3,253,531	3,253,531
Instructional Services		3,713,394	3,713,394
School Mgmt. Services		14,661,819	14,661,819
Auxiliary & General Support		3,509,747	3,509,747
Board of Teaching		307,463	307,463
Residential Schools		11,110,111	11,110,111
Review Needs—State Hospitals	40,000		(40,000)
Pre-school Screening	2,860,000	1,753,129	(1,106,871)
Net Lake Unempl Comp			
ESU Regional Subs			
Suppl Approp			
Vo-Tech Bd			
AVTI Sys Program			
Total Department of Education	\$ 56,941,300	\$ 44,856,582	\$ (12,084,718)
School Aids			
Foundation	\$1,315,444,000	\$1,152,274,186	\$ (163,169,814)
Foundation—prior year		2,715,919	2,715,919
Summer School	1,180,000	12,472,645	11,292,645
Transportation	197,428,300	200,904,128	3,475,828
Special Education	178,492,650	184,821,409	6,328,759
Special Education Deficiency	230,000		(230,000)
Foundation	61,771,300		(61,771,300)
Categorcal	4,500,000		(4,500,000)
Instructional	45,000,000	102,524,388	57,524,388
Supply	10,600,400	28,458,804	17,858,404
Support Services	18,706,800	30,440,295	11,733,495
Capital Expenditure	18,000,000	18,065,643	65,643
R & B Aid		2,474,543	2,474,543
Debt Service	15,471,400	15,331,100	(140,300)
Contingent	500,000	250,000	(250,000)
Fixed Asset Impl.		139,118	139,118
Adult Vocational	13,279,100	13,299,298	20,198
Small Business Mgmt Program	280,000		(280,000)
Veteran Farmer Coop Training	2,025,000	1,211,233	(813,767)
Energy Mgmt. for Build. Oper.		95,500	95,500
Secondary Vocational Education	43,872,800	36,920,255	(6,952,545)
Deficiency	1,700,000		(1,700,000)
Handicapped Students Program	4,257,500	4,052,052	(205,448)
Endowment School Apportionment	32,000,000	50,000,000	18,000,000
Taconite Apportionment	29,979,000	36,811,500	6,832,500
Educational Cooperative Service Units	1,987,450	1,359,053	(628,397)
Special School Aids			
Adult Education	1,860,000	2,020,368	160,368
Deficiency	186,000		(186,000)
G.E.D. Reimbursement	156,000		(156,000)
Community Education	6,750,000	6,425,331	(324,669)
Emergency	300,000		(300,000)
Education Planning & Dev.		1,057,941	1,057,941
Capital Exp. Equalization—Deficiency	361,900	1,075,865	713,965
Educ. Coop Service Units			
Basic Skills	1,350,000		(1,350,000)
Abatement	7,312,500	5,471,430	(1,841,070)
School Lunch	7,082,800	7,923,700	840,900
Food Storage & Transportation	1,244,300	1,645,400	401,100
Gifted & Talented Students	1,200,000	968,493	(231,507)
Chemical Use Programs		1,713,711	1,713,711
COE Venture Fund Grants			
COE Alternative Grants		385,262	385,262
Emergency Aid		49,607	49,607
Sp Pur Cap Expend. Equi Aid		52,903	52,903
Early Childhood & Family Educ		2,644,998	2,644,998

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Basic Support Grants Libraries			
Multi-County Library Systems		323,369	323,369
Indian Contingency Aids		286,519	286,519
Improved Learning Programs		274,354	274,354
Pine Point Election		1,500	1,500
Pine Point Work Comp			
Pine Point Repair		24,607	24,607
Secondary Coop. Agreements	137,000	(137,000)	
Haz. Subst. Equal. Aid			
CPR Instruction			
Arts Education			
Interdistrict Coop Aid			
Supp Appr			
Limited English Profic.	3,450,000	5,482,661	2,032,661
School Lunch	322,000	(322,000)	
Health & Dev. Screening Prgrms.			
Early Retirement Incentives	2,779,800	2,819,604	1,039,804
Part-Time Teacher Benefits	137,969	137,969	
Extended Leaves of Absence	2,441,675	2,441,675	
Max Effort School Loan Fund	9,500,200	9,500,200	
Aid to Non-Public Schools	6,123,000	7,565,823	1,442,823
Deficiency 1981 Claims	1,147,500		1,147,500
	465,000		(465,000)
Educational Technology Act			
Teacher Retirement and Social Security	(1,502,375)		1,502,375
Cities of First Class	35,855,800	32,234,093	(3,621,707)
Statewide	264,594,000	264,598,585	4,585
TRA	4,500		(4,500)
Teachers Suppl.	(1,500)		1,500
Community Library Services	7,570,600	7,211,944	(358,656)
Total School Aids	\$2,344,307,025	\$2,261,106,481	\$ (83,200,544)
Community Colleges	\$ 73,731,557	\$ 74,099,255	\$ 367,698
State Universities	\$ 153,613,415	\$ 155,444,802	\$ 1,831,387
University of Minnesota			
General			
Operations & Maintenance	\$ 351,471,979	\$ 366,615,429	\$ 15,143,450
Equipment Replacement	1,500,000		(1,500,000)
Student Loans	500,000	350,000	(150,000)
Disadvantaged Students	700,000	721,683	21,683
Library Supplement	3,351,300		(3,351,300)
Inter Collegiate Athletics	2,585,875	2,942,490	356,615
Summer School Tuition & Cont. Ed.	2,104,000	2,342,833	238,833
Family Practice & Graduate Res.	6,838,400		(6,838,400)
Medical Services & Instruction	2,905,000	3,137,198	232,198
Health Sciences & Contingent	2,425,000	4,422,901	1,997,901
Duluth Campus—Specials	5,871,400		(5,871,400)
Health Science Outreach Grts.	25,000		(25,000)
Ethanol Demo. Plant	200,000		(200,000)
Faculty Travel			
Micro Elect & Eng Center			
Natl. Res. Research Inst.			
Productivity Center			
Research			
General Research	3,500,000	3,983,317	483,317
Mineral Resource Research Center	600,000	607,782	7,782
General Agricultural Research	15,169,000	17,611,470	2,442,470
Hormel Institute	258,800	267,497	8,697
Veterinary Diagnostic Lab & Hospital	1,700,000	1,499,798	(200,202)
Geological Survey	1,002,000	1,107,871	105,871
Lake Superior Basin	135,000	226,664	91,664
Sea Grant	200,000	198,251	(1,749)
Freshwater Biological Research Inst.	448,400		(448,400)

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Medical Research	3,002,000	3,249,490	247,490
Coleman Leuk. Research. Fund	350,000		350,000
Plant Biomass Research		235,500	235,500
Immigration Hist. Research Center		225,000	225,000
Agricultural Extension Serv.		17,275,219	17,275,219
Inflation Allow.Univ.Spec.		1,351,000	1,351,000
Community Services			
Science & Technical Center		125,000	125,000
Fellowship-Minority & Disadv. Study		71,500	71,500
Agricultural Extension Service	14,131,380		(14,131,380)
Indigent Patients	4,000,000	4,950,000	950,000
Special Hospitals & Community Serv.	12,932,600	14,335,770	1,403,170
University Galleries	90,000		(90,000)
Industrial Relations Education	921,800	1,020,410	98,610
Salary Supplements & Adjustments	5,233,382		(5,233,382)
Maxi-Audits-Energy-Buildings	200,000		(200,000)
Environmental Path.Lab.			
Bio Technology Center			
Faulty Retirement			
China Center			
Talented Youth Math			
Underground Space Center			
Super Computer Inst.			
Total University of Minnesota	\$ 444,002,316	\$ 449,224,073	\$ 5,221,757
Higher Education Coordinating Board			
Salaries & Expense	\$ 3,528,500	\$ 3,820,982	\$ 292,482
State Scholarship, Nursing & Grants-in-Aid	49,020,000	53,240,000	4,220,000
Part-Time Student Subsidy	750,000	565,500	(184,500)
Special Assistance	94,000	2,400	(91,600)
Tuition Reciprocity	19,438,500	10,969,000	(8,469,500)
State Work Study	6,200,000	7,888,800	1,688,800
Medical Student Loans	296,500	232,526	(63,974)
AVTI Tuition Subsidy	3,585,000	2,793,700	(791,300)
Private College Contracts	9,735,000	3,868,000	(5,867,000)
Regional Coordination & Service	468,400	97,241	(371,159)
Minitex Library Program	990,000	1,159,400	169,400
SW & West Central Consortium	109,800	18,459	(91,341)
Scholarships/Grants		6,750,000	6,750,000
M & O Reserve		217,341	217,341
Small Business Institutes	90,000		(90,000)
M.O.I.S.	150,000		(150,000)
Student Aids Data Processing	230,600		(230,600)
Study of AVTIs	28,000		(28,000)
Teachers/State Univ. & Comm.Coll.Direct	2,500		(2,500)
Unemployment Compensation			
Mayo Medical School	2,696,900	2,497,000	(199,900)
Family Practice Graduate Program	240,000	324,000	84,000
Total Higher Education Coord. Board	\$ 97,653,700	\$ 94,444,349	\$ (3,209,351)
Sub Total Education	\$3,170,249,313	\$3,079,175,542	\$ (91,073,771)
Open Appropriations			
Department of Education	\$ 606,200		\$ (606,200)
Tuition and Course Fees, and Misc.			
Income (Comm. College)	238,986,414	\$ 204,869,600	(34,116,814)
Income (State Univ. Bd.)	74,572,100		74,572,100
Income(U.of M.)	41,978,900		41,978,900
Higher Education Coordinating Board OF		839,600	(839,600)
Higher Education Facilities Auth.OF	110,400		(110,400)
Education Computing Consortium OF	3,014,700		(3,014,700)
Federal Funds	277,847,900	325,757,100	47,909,200
Perm. Univ. Trust Fd		5,000,000	5,000,000
Total Miscellaneous	\$ 521,405,214	\$ 652,177,700	\$ 130,772,486
Total Education	\$3,691,654,527	\$3,731,353,242	\$ 39,698,715

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Welfare, Corrections, Health and Econ. Security			
Department of Public Welfare			
Programs & Adm. Support			
Administration	\$ 9,429,900	\$ 17,825,064	\$ 8,395,164
County Administrative Expense	28,017,800		(28,017,800)
Special County Aid	7,820,900	6,041,444	(1,779,456)
Support Services			
Social Services		2,015,370	2,015,370
Day Care	2,323,200	1,817,480	(505,720)
Emotionally Disturbed	4,096,500	4,830,470	733,920
Mentally Retarded	10,770,500	12,468,544	1,698,044
Aging, Blind & Deaf	12,439,000	9,702,950	(2,736,050)
Social Service Support	1,318,800		(1,318,800)
Social Service Grants	72,199,675	72,199,675	
Income Maintenance	23,253,410	23,253,410	
Public Assist. (MA, AFDC, MSA)	602,154,600	872,753,825	270,599,225
Medical Assistance-Deficiency	6,109,000	5,500,000	(609,000)
General Assistance & GAMC	119,890,100	100,855,669	(19,034,431)
Job Program			
Mental Health	1,229,291	1,229,291	
Mentally Ill	1,818,400	12,177,027	10,358,627
Mentally Retarded	1,852,000	3,563,472	1,711,472
Chemically Dependent	8,302,000	3,700,974	(4,601,026)
Community Mental Health Centers	39,389,700		(39,389,700)
Developmental Achievement Centers	20,812,500		(20,812,500)
State Hospitals	206,550,700	233,011,472	26,460,772
Nursing Homes	22,358,800		(22,358,800)
Mental Health Support	2,657,100	(2,657,100)	
Other Welfare			
Contingency Funds			
Facilities for M.R.			
Title XX Correction			
Day Care Sliding Fee			
Nursing Home Rates			
Compulsive Gamblers			
Other Supplemental			
Subsidized Adoptions	500,000		(500,000)
Child Care Services	1,500,000	2,140,908	640,908
Community Social Services-Plan Grants	300,000		(300,000)
Mental Health Grants	2,000,000		(2,000,000)
Volunteer Prog. for Seniors	200,000		(200,000)
Building Repairs & Rehabilitation	9,000		(9,000)
Mental Health Centers Regul.	50,000		(50,000)
M.A. Recip.-Income Disregard Relaxation	47,500		(47,500)
G.A. Medical Care-Work Incen.	226,450		(226,450)
Vulnerable Adults	113,000		(113,000)
Personal Needs Allow. Incr.	452,500		(452,500)
Nursing Home Rate Anal.	40,000		(40,000)
Computer Retrieval Syst.	40,000		(40,000)
Evalu. of Committed Persons	10,000		(10,000)
Hearing Impaired-Access to Hum. Serv.	136,000		(136,000)
Nursing Home-Pre Adm. Screen.	48,000		(48,000)
Reimb. County Expense-Energy Assis.	500,000		(500,000)
Computer Costs	300,000		(300,000)
Move Loc. Inc. Maint. Bureau	238,000		(238,000)
American Indian-Chem. Depen.	500,000		(500,000)
Hearing Impaired Prog.	50,000		(50,000)
State Hosp.-Compl. Incr.	4,200,000		(4,200,000)
Family Subsidy Prog.	100,000		(100,000)
State Adoption Exch.	15,000		(15,000)
Serv. to Brain Inj. Per.	24,000		(24,000)
Incr. State % Share-Welfare Aids	2,850,000		(2,850,000)
State Nursing Home Control		22,344,946	22,344,946
Contingent-Nursing Home		68,300	68,300
Contingent-Nursing Home		3,336,992	3,336,992

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Cont. Repair Nursing Home		146,500	146,500
Sub Total Welfare Department	<u>1,122,560,950</u>	<u>1,410,983,733</u>	<u>288,422,783</u>
Dedicated Revenues—			
Miscellaneous Reimbursement		87,104,300	87,104,300
Hospital Receipts			
Other Funds			
Federal Fund		<u>1,298,228,700</u>	<u>1,298,228,700</u>
Total Department of Public Welfare	<u>1,122,560,950</u>	<u>2,796,316,733</u>	<u>1,673,755,783</u>
Department of Corrections			
Minn. Correction Bd.	\$ 298,200		\$ (298,200)
General Support			
County Probation Reimbursement	2,742,100		(2,742,100)
Subsidy Programs	782,600		(782,600)
Support	5,863,800		(5,863,800)
Special Services			
Health Care	3,968,700	\$ 4,434,292	465,592
Education	668,800		(668,800)
Victim Services	4,437,900	4,841,697	403,797
Support	631,900		(631,900)
Community Services	28,331,800	33,167,727	4,835,927
Correctional Institutions	65,543,400	72,521,831	6,978,431
Reimbursement to Inmate for Injury		1,687	1,687
Sentencing Guidelines Commission	389,600		(389,600)
Corrections Ombudsman	447,600	306,442	(141,158)
Ombudsman-Dept		455,113	455,113
State Institutional Contingent	600,000	1,057,000	457,000
Policy & Planning		2,230,566	2,230,566
Management Services		3,180,574	3,180,574
Special Equipment		736,900	736,900
Education		624,234	624,234
Industry Sub Sta		1,200,000	1,200,000
Community Corrections			
Supplemental Approp.			
Other Funds			
Federal Fund		<u>1,773,700</u>	<u>1,773,700</u>
Total Department of Corrections	<u>\$ 114,706,400</u>	<u>\$ 126,531,763</u>	<u>\$ 11,825,363</u>
Commissioner of Health			
Preventive Personal Health	\$ 16,150,400	\$ 15,887,209	\$ (263,191)
Health Systems Quality Assurance	4,941,900	2,532,311	(2,409,589)
Health Support Services	24,924,200	27,507,471	2,583,271
Ident., C. & Abate.-Acid Precip.	23,430		(23,430)
Poison Inf. Cent.	125,000		(125,000)
Home Serv. Grants-Phys. Imp.	500,000		(500,000)
Nursing Home Dental P.	60,000		(60,000)
Omnibus Health			
Supplemental Approp.			
Health Related Boards	2,985,700		(2,985,700)
Contingent for State Inst.		750,000	750,000
Cloquet Water			
Federal Funds		<u>54,104,500</u>	<u>54,104,500</u>
Total Department of Health	<u>\$ 49,710,630</u>	<u>\$ 100,781,491</u>	<u>\$ 51,070,861</u>
Department of Economic Security			
Employment & Training	\$ 7,295,000		\$ (7,295,000)
Vocational Rehabilitation Services	19,811,600		(19,811,600)
Management & Coordination	3,318,200		(3,318,200)
Coordination of Residential Weath.	3,000,000		(3,000,000)
Department of Vocational Rehab.		\$ 23,463,365	23,463,365
Youth Summer Employment		4,590,035	4,590,035
Regional Cent.-Hearing Imp.	166,000		(166,000)
Heating Asst. Grants	14,000,000		(14,000,000)
Job Service			
Training & Community Prgs.		14,310,661	14,310,661

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Program & Mgmt Support			
Jobs Program			
Supplemental Approp.			
Weatherization			
Sheltered Workshops			
Job Skills Partnership			
Other Funds			
Federal Fund		237,683,100	237,683,100
Total Dept. of Economic Security	\$ 47,590,800	\$ 280,047,161	\$ 232,456,361
Open Appropriations			
Department of Corrections	2,863,600		(2,863,600)
Department of Economic Security	207,000		(207,000)
Federal Funds	1,243,470,200		(1,243,470,200)
Total Open Appropriations	\$ 1,246,540,800		\$ (1,246,540,800)
Total Health/Welfare/Corrections	\$ 2,581,109,580	\$ 3,303,677,148	\$ 722,567,568
Highways & Mass Transit			
Department of Transportation			
Policy & Planning			
Planning & Programming			
Transportation Development	\$ 2,616,000		\$ (2,616,000)
Transportation Services	5,713,400		(5,713,400)
Bikeway Regulation			
General Support			
Supplemental Approp			
Highway Operations			
Maintenance	147,655,000		(147,655,000)
Highway Development-Deficiency	33,500,000		(33,500,000)
Construction Support	58,174,600		(58,174,600)
Highway Improvements	14,044,600		(14,044,600)
Trunk Hwy. M.V.E.			
County State Aid M.V.E.			
Municipal State Aid M.V.E.			
Highway Debt Service	26,867,500		(26,867,500)
Public Transportation Operations			
Rates & Regulation	1,003,600		(1,003,600)
Transit Administration	776,000		(776,000)
Transit Assistance Grants	42,080,000	\$ 38,549,923	(3,530,077)
Operating Subsidies-Deficiency	205,000		(205,000)
Transit Assistance M.V.E.			
Railroads, Ports & Pipelines	1,021,000		(1,021,000)
Rail Service Improvement Grants	3,475,000	876,000	(2,599,000)
Ride Sharing & Pooling	400,000		(400,000)
Transit Assist. Grts.	16,931,100		(16,931,100)
Amtrak Rail Subsidy	475,000	200,000	(275,000)
Metro. Coun. Light Rail Study	150,000		(150,000)
Other Funds			
Municipal State Aid	61,600,000	95,167,524	33,567,524
County State Aid	188,450,000	267,162,853	78,712,853
Trunk Highway		760,619,424	760,619,424
Highway User		18,656,233	18,656,233
Total Highways	\$ 605,137,800	\$ 1,181,231,957	\$ 576,094,157
Aeronautics			
Operations	\$ 558,600		\$ (558,600)
Development & Assistance	15,993,200		(15,993,200)
Hangar Revolving Account	750,000		(750,000)
Pine Creek Airport	59,000		(59,000)
Air Transportation Services	181,400		(181,400)
Debt Service	944,800		(944,800)
Other Funds			
State Airports		\$ 25,946,647	25,946,647
Total Aeronautics	\$ 18,487,000	\$ 25,946,647	\$ 7,459,647
Technical Support	\$ 46,355,400		\$ (46,355,400)

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
General Support			
Administration & Program Management		2,267,675	\$ 2,267,675
Administration	\$ 10,388,000		(10,388,000)
Gov. & Community Relations	728,400		(728,400)
Equipment	12,849,400		(12,849,400)
General Services	4,949,600		(4,949,600)
Legal Services	1,128,400		(1,128,400)
Other Highway			
Repair & Rehabilitation	560,600		(560,600)
Access Road to Stillwater Prison	260,000		(260,000)
Access Road to Thistledeu	319,200		(319,200)
Minnetonka By-Pass	134,000		(134,000)
Total General Support	\$ 31,317,600	\$ 2,267,675	\$ (29,049,925)
Sub Total Highways and Mass Trans.	\$ 701,297,800	\$ 1,209,446,279	\$ 508,148,479
Federal Funds	\$ 327,081,300	\$ 43,610,100	\$ (283,471,200)
Total Highway	\$ 1,028,379,100	\$ 1,253,056,379	\$ 224,677,279
Other Executive Branch Functions			
Governor-Lt. Governor			
Executive Operations	\$ 2,700,600	\$ 2,787,033	\$ 86,433
Inter State Rep-coop		131,525	131,525
Executive Council			
Interstate Representation	360,000		(360,000)
Committees and Task Forces	171,400		(171,400)
Unemployment Comp.-Bicentennial Comm.	300		(300)
Washington D.C. Office	32,000		(32,000)
Other Funds			
Federal Fund		350,000	350,000
Total Governor and Lt. Governor	\$ 3,264,300	\$ 3,268,558	\$ 4,258
State Auditor	\$ 434,800	\$ 502,975	\$ 68,175
State Treasurer	1,661,100	1,057,775	(603,325)
Escheats	200,000	673,895	473,895
Unclaimed Prop. to Commerce			
Total State Treasurer	\$ 1,861,100	\$ 1,731,670	\$ (129,430)
Secretary of State	\$ 1,802,300		\$ (1,802,300)
Deficiency	23,400		(23,400)
Initiative & Referendum	25,000		(25,000)
Open Appointments	25,000		(25,000)
Elections & Publications		\$ 179,340	179,340
Uniform Commercial Code		156,600	156,600
Business Services		734,767	734,767
Administration		511,420	511,420
Fiscal Operations		102,900	102,900
Microfilming			
Total Secretary of State	\$ 1,875,700	\$ 1,685,027	\$ (190,673)
Department of Administration	\$ 30,067,400		\$ (30,067,400)
Repairs & Betterments			
Postage Contingent	400,000		(400,000)
Repair & Rehabilitation Cap. Complex	985,000		(985,000)
Energy Conservation Survey	200,000		(200,000)
Deficiency	169,200		(169,200)
State Govt. Resources Recv.	80,000		(80,000)
Cummuter Van Purchase	200,000		(200,000)
Small Business Set Aside	25,000		(25,000)
County Litg. Reimb. Indian Land	150,000		(150,000)
Management Services		6,050,350	6,050,350
Real Property Management		15,907,945	15,907,945
State Agency Services		2,722,359	2,722,359

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Public Services			
General Support		5,713,131	5,713,131
Public Broadcasting		1,671,917	1,671,917
Repairs & Betterments			
Reg. Waste Disposal			
Supplemental Approp.			
Other Funds			
Federal Funds			
Total Administration	\$ 32,276,600	\$ 32,065,702	\$ (210,898)
Department of Economic Development	\$ 6,029,000		\$ (6,029,000)
Tourism Contingent	200,000		(200,000)
Small Business Assis. Cent.	25,200		(25,200)
Duluth Port Auth.	210,500		(210,500)
Development Resources	40,000		(40,000)
Other Funds			
Federal Fund		120,000	120,000
Total Dept. of Economic Development	\$ 6,504,700	\$ 120,000	\$ (6,384,700)
Department of Finance	\$ 9,303,400		\$ (9,303,400)
Tort Claims	1,500,000	\$ 800,000	(700,000)
Attrition Study-State Employees	100,000		(100,000)
Annual State Financial Report	246,300		(246,300)
Payroll & Personnel Inf. Sys.	471,700		(471,700)
Adv. Inflation Adj.	959,200		(959,200)
Financial Operations		6,127,829	6,127,829
Budget & Control		2,039,076	2,039,076
Financial Management		694,454	694,454
General Support		1,226,034	1,226,034
Short Term Borrowing Costs		114,451,400	114,451,400
Debt Service	164,031,900	226,339,600	62,307,700
New Debt Service	19,757,900		(19,757,900)
Parimutuel Racing			
Compensation Increase			
State Workers Fund			
State Workers Fund			
Tax Study Commission			
Claims			
World Trade C. Staff			
Non-Operating			
Other Funds			
Federal Funds			
Total Finance	\$ 196,370,400	\$ 351,678,393	\$ 155,307,993
Department of Employee Relations	\$ 15,000		\$ (15,000)
Job Sharing Project	15,000		(15,000)
Labor Relations Div. Exp.	285,000	\$ 783,550	498,550
Affirmative Action Veterans	6,000		(6,000)
Interns & Summer Youth Work	40,000		(40,000)
Personnel Technical Service		2,026,757	2,026,757
Adm. & Special Services		1,553,218	1,553,218
Equal Opportunity		1,323,600	1,323,600
Insurance Program			
Department of Personnel	5,410,100		(5,410,100)
Personnel Board	58,500		(58,500)
Other Funds			
Federal Funds		550,000	550,000
Total Dept. of Employee Relations	\$ 5,814,600	\$ 6,237,125	\$ 422,525
Department of Revenue	\$ 46,757,700		\$ (46,757,700)
Railroad Gross Earn. Adm.	335,200		(335,200)
Sales Ratio Study	100,000		(100,000)
Adm. Expense	100,000		(100,000)
Revenue Mgmt.		15,241,639	15,241,639

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Income Sales & Use Tax		29,806,828	29,806,828
Property & Special Taxes		8,471,302	8,471,302
Assessors Board	144,329		144,329
Unitary Tax Unit	400,000		400,000
Hazardous Waste			
Omnibus Tax			
Hazardous Waste			
Total Dept. of Revenue	\$ 47,292,500	\$ 54,064,098	\$ 6,771,198
Department of Veterans Affairs	\$ 13,762,500		\$ (13,762,500)
Hastings Veterans Home		\$ 3,082,934	3,082,934
Minn. War Dead Mem.	5,000		(5,000)
Veterans Home Mpls.	147,000	9,266,656	9,119,656
Educ. Benefits-Soldiers & Dep.	15,000		(15,000)
Veterans Benefits & Services		4,189,000	4,189,000
Big Island Veterans Camp		33,500	33,500
Information & Assist		62,500	62,500
Building Conversion			
Supplemental Approp			
Total Dept. of Veterans Affairs	\$ 13,929,500	\$ 16,634,590	\$ 2,705,090
State Planning Agency	\$ 11,477,800		\$ (11,477,800)
Annual Population Estimate	30,000		(30,000)
Environment Study Contingent	2,538,100		(2,538,100)
Power Plant Siting	1,200,000		(1,200,000)
Business License Center		427,176	427,176
Power Plant Projects		21,100	21,100
Local Govt. Off. Trng.	42,500		(42,500)
Planning		7,170,374	7,170,374
Energy		3,686,032	3,686,032
Community Development		4,378,538	4,378,538
Tourism Services		2,363,735	2,363,735
Gen. Support-Plng., Engy. Dev.		1,777,710	1,777,710
Financial Management			
Science & Technical Inst.			
School Energy Consv.			
Factory Expansion			
Economic Recovery Act			
Marketing Minnesota			
High Tech Corridor			
Suppl. Approp.			
So. Minn. River Basin			
Environmental Quality Bd.			
State Hosp. Redevlp.			
Suppl. Approp.			
Energy Agency	2,534,800		(2,534,800)
Energy Projects	5,000		(2,170,500)
Other Funds			
Federal Fund		5,133,000	5,133,000
Federal Fund		10,175,600	10,175,600
Total State Planning	\$ 30,548,700	\$ 35,138,265	\$ 4,589,565
Capital Area Architectural & Plan Bd.	\$ 165,800	\$ 151,782	\$ (14,018)
Council for the Handicapped	\$ 543,000	\$ 546,226	\$ 3,226
Total Other Exec. Branch	\$ 340,882,100	\$ 503,844,111	\$ 162,962,011
Ethical Practices Bd.	\$ 325,000	\$ 1,876,770	\$ 1,551,770
Indian Affairs Intertribal Bd.	\$ 358,000	\$ 345,109	\$ (12,891)
Indian Burial Grounds			
Federal Funds		95,300	95,300
Total Indian Intertribal Bd.	\$ 358,000	\$ 440,409	\$ 82,409
Investment Bd.	\$ 1,845,800	\$ 2,199,236	\$ 353,436

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Minnesota Academy of Science	\$ 32,400	\$ 40,800	\$ 8,400
Minnesota Historical Society	\$ 5,845,000	\$ 11,276,759	\$ 5,431,759
Historic Site I.D. Devlp. & Grants	6,940,200		(6,940,200)
Sibley House	78,700		(78,700)
State Govt. Site Markers	7,500		(7,500)
Historic Site Maint.	30,000		(30,000)
Analysis of State Records	40,500	142,000	101,500
Fiscal Agent		132,500	132,500
Grants in Aid		381,302	381,302
Federal Fund		440,000	440,000
Supplemental Approp			
Total Minn. Historical Society	\$ 12,941,900	\$ 12,372,561	\$ (569,339)
Science Museum of Minn.-Loans & Grants	\$ 350,000	\$ 400,000	\$ 50,000
Minnesota Housing Finance Agency	42,500,000	19,087,300	(23,412,700)
Energy Grants	2,150,000		(2,150,000)
Total Minn. Housing Agency	\$ 44,650,000	\$ 19,087,300	\$ (25,562,700)
Minnesota Municipal Bd.	\$ 294,200	\$ 291,738	\$ (2,462)
Minnesota Safety Council	\$ 95,000		\$ (95,000)
Board of the Arts	\$ 5,000,000		\$ (5,000,000)
Public TV Grants	880,000	\$ 3,048,300	2,168,300
Arts Org. Support			
Reg. Arts Fiscal Agent			
Artists Service Support			
Supplemental Support			
Other Funds			
Federal Fund		1,030,600	1,030,600
Total Bd. of Arts	\$ 5,880,000	\$ 4,078,900	\$ (1,801,100)
Council Affairs of Spanish Speaking People	\$ 157,200	\$ 169,616	\$ 12,416
Minnesota Humane Society	\$ 110,000	\$ 43,800	\$ (66,200)
Miscellaneous Veteran Associations	\$ 70,000	\$ 88,600	\$ 18,600
Uniform Laws Commission	\$ 20,000	\$ 22,300	2,300
Supplemental Approp			
Total Uniform Law Commission	\$ 20,000	\$ 22,300	\$ 2,300
Minnesota-Wisconsin Boundary Area Comm.	\$ 99,100	\$ 107,700	\$ 8,600
Council on Black Minn.	40,000	149,370	109,370
Total General State Government	408,150,700	545,213,211	137,062,511
Protection to Persons Property			
Attorney General	\$ 18,211,800		\$ (18,211,800)
Deficiency	95,000		(95,000)
Workers Compensation Law Changes	107,500		(107,500)
Legal-Hazardous Waste	133,000		(133,000)
Public Administration		\$ 2,542,020	2,542,020
Public Resources		5,121,282	5,121,282
Public Assistance		2,588,151	2,588,151
Public Protection		5,514,594	5,514,594
Legal Policy and Adm.		5,208,400	5,208,400
Hazardous Wastes			
Superfund			
White Earth			
Insurance Omnibus			
Other Funds			
Federal Fund		259,200	259,200
Total Attorney General	\$ 18,547,300	\$ 21,233,647	\$ 2,686,347

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Department of Commerce	\$ 10,493,300		\$ (10,493,300)
Workers Compensation Rate Hearings	373,800		(373,800)
Regulation-Local Govt. Self Ins.	43,000		(43,000)
Energy Admin.	30,000		(30,000)
Rental Housing Discrm.	30,000		(30,000)
State Chartered Financial Instit.		4,387,454	4,387,454
Investment Protection		1,473,216	1,473,216
Consumers Services		1,842,083	1,842,083
Regulation of Insurance		3,145,623	3,145,623
General Support		1,484,912	1,484,912
Workers Compensation		76,230	76,230
Hazardous Waste			
Ins. Agents Cont. Educ.			
Unclaimed Property			
Commerce Enforcement			
Commerce Omnibus			
Other Funds			
Special Revenue Apportionment		325,400	325,400
Federal Fund		103,100	103,100
Total Dept. of Commerce	10,970,100	12,838,018	1,867,918
Department of Human Rights	1,827,400		(1,827,400)
Age Discrimination			
Unemployment Compensation		1,156,288	1,156,288
Human Rights Enforcement		797,993	797,993
Plg. Public Info. Admin. Serv.		20,000	20,000
Duluth Office			
Supplemental Approp.			
Other Funds			
Federal Fund		724,700	724,700
Total Dept. of Human Rights	\$ 1,827,400	\$ 2,698,981	\$ 871,581
Department of Labor & Industry	\$ 10,648,200		\$ (10,648,200)
Workers Comp. Court of Appeals	707,300		(707,300)
Industrial Hygienists-Contingent	270,000		(270,000)
Standards, Regulation/Enforcement		\$ 1,212,878	1,212,878
Wrks. Comp. Reg./Enf.		10,576,098	10,576,098
Code Enforcement		1,131,784	1,131,784
OSHA Reg/Enf.		1,560,680	1,560,680
General Support		1,500,007	1,500,007
Workers Compensation		492,400	492,400
Information Mgmt. Serv.			
W.C. Court of Appeals		9,656	9,656
Mediation Services		1,650,488	1,650,488
W.C. Moving exp		73,400	73,400
Public Employee Relations Bd.		84,197	84,197
Workers Comp			
Workers Comp			
Employee Right to Know			
Supplemental Approp.			
Pipefitters			
Other Funds			
Special Revenue Apportionment		216,000	216,000
Federal Fund		2,623,000	2,623,000
Total Dept. of Labor and Industry	\$ 11,625,500	\$ 21,130,588	\$ 9,505,088
Department of Military Affairs	\$ 7,293,400	\$ 8,162,378	\$ 868,978
Military Forces Emergency		121,400	121,400
Other Funds			
Federal Fund		7,011,600	7,011,600
Total Dept. of Military Affairs	\$ 7,293,400	\$ 15,295,378	\$ 8,001,978
Department of Public Safety	\$ 100,354,600		\$ (100,354,600)
Deficiency	125,000		(125,000)
Motor Vehicle Contingent	150,000		(150,000)

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Traffic Safety Contingent	150,000		(150,000)
Postage Contingent	200,000		(200,000)
Nuclear Power Plant Emerg. Plan	500,000		(500,000)
State Patrol Overtime	343,300		(343,300)
Emergency Services		\$ 1,108,051	1,108,051
Criminal Apprehension		15,705,000	15,705,000
Fire Safety		2,022,800	2,022,800
Capitol Security		1,784,300	1,784,300
Driver & Vehicle Licensing		5,291,300	5,291,300
Liquor Licensing		845,900	845,900
Ancillary Services		1,225,100	1,225,100
Trunk Highway Trf.		269,762	269,762
Supplemental Approp			
State Patrol			
Bikeways Regulation			
Other Funds			
Federal Fund		8,181,200	8,181,200
Total Dept. of Safety	101,822,900	36,433,413	(65,389,487)
Department of Public Service	\$ 7,118,900	\$ 5,873,975	\$ (1,244,925)
Public Utilities Commission		\$ 2,060,438	\$ 2,060,438
Federal Funds		52,700	52,700
Total Public Utilities Comm.		\$ 2,113,138	\$ 2,113,138
Bureau of Mediation Services	\$ 1,530,300		\$ (1,530,300)
Unit Determination & Mediation	\$ 100,500		\$ (100,500)
Other Funds			
Federal Fund		\$ 61,600	61,600
Total Mediation Services	\$ 1,630,800	\$ 61,600	\$ (1,569,200)
Public Employee Relations Bd.	\$ 86,600		\$ (86,600)
Minnesota Bd. of Police Off. Stand.	\$ 701,900	\$ 1,558,533	\$ 856,633
Regulation of Part Time Police Off.	10,000		(10,000)
Peace Officers Train. Bd.			
Total Bd. of Police Officer Stand.	\$ 711,900	\$ 1,558,533	\$ 846,633
Non-Health Related Bds.	\$ 6,123,300		\$ (6,123,300)
Abstractors boards		\$ 6,523	6,523
Watchmakers		10,665	10,665
Podiatry		11,074	11,074
Boxing		46,401	46,401
Optometry		81,453	81,453
Chiropractors		103,855	103,855
Veterinary Medicine		115,403	115,403
Barber		174,481	174,481
Nursing Home Adm		178,860	178,860
Psychologists		181,275	181,275
Accountancy			
Arts		430,069	430,069
Arch & engineering		435,346	435,346
Dentistry		443,648	443,648
Pharmacy		531,105	531,105
Medical Examiners		655,947	655,947
Nursing		1,327,934	1,327,934
Gambling Control Bd			
Total Non-Health Bds.	\$ 6,123,300	\$ 4,734,039	\$ (1,389,261)
State Bd. of Accountancy	\$ 66,000	\$ 372,339	\$ 306,339
Livestock Sanitary Board	\$ 2,385,500		(2,385,500)
County Attorneys Council	\$ 125,000	\$ 106,700	\$ (18,300)
Crime Control Planning Bd.	\$ 1,571,800		\$ (1,571,800)
Crime Justice Contingent	506,400		(506,400)

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Crime Control Bd.-Contingent	1,002,600		(1,002,600)
Automated Finger Print I.D.	30,000		(30,000)
Other Funds			
Federal Fund		4,412,000	4,412,000
Total Crime Control Bd.	\$ 3,110,800	\$ 4,412,000	\$ 1,301,200
Bd. of Electricity	\$ 500,000	\$ 1,196,892	\$ 696,892
Total Protection to Persons and Prop.	\$ 173,945,400	\$ 130,059,241	\$ (43,886,159)
Development & Conservation of Nat. Res.			
Department of Natural Resources	\$ 102,368,600		\$ (102,368,600)
Game & Fish Contingent	150,000		(150,000)
Workers & Unemployment Comp.	2,021,900		(2,021,900)
Public Hunting Grounds & Game Refuge Pay.	580,000		(580,000)
Identification Acid Precipitation	24,287	\$ 74,559	50,272
Motorboat Noise Polut. Enforc.	30,000		(30,000)
Fuelwood Avail.	250,000		(250,000)
Ditch Assessments	85,000	35,000	(50,000)
Big Marine Lake Study	73,500		(73,500)
BWCA Forestry Intensif.	3,000,000		(3,000,000)
St. Croix Wild River & Tetteq. Parks	155,200		(155,200)
Complaint Response-Conserv.Officers	445,700		(445,700)
Geological Test Drilling	194,000	50,000	(144,000)
Indian Tribe Agreement	1,090,000		(1,090,000)
Administrative—Mgmt Services		5,660,536	5,660,536
Regional Administration		4,556,646	4,556,646
Field Service Support		5,665,412	5,665,412
Water Resources Mgmt.		5,242,040	5,242,040
Mineral Resources Management		3,680,161	3,680,161
Forest Mgmt.		25,548,039	25,548,039
Fish Management Ecological Surveys-Services		597,454	597,454
Parks & Recreation Mgmt.		11,889,609	11,889,609
Soil & Water Conservation Bd.		4,939,900	4,939,900
Enforcement Nat. Res. Laws-Rules		4,149,397	4,149,397
Planning & Research		661,237	661,237
Trails & Waterways Mgmt.		3,491,160	3,491,160
Non Game Wildlife Fund		1,230,533	1,230,533
Wildlife Mgmt.		146,695	146,695
Youth Programs		633,073	633,073
Mn. Environ. Educ. Prgm. Unemployment Comp.		1,684,000	1,684,000
Workers Comp.		175,000	175,000
Gas Storage Monitoring		45,578	45,578
Regional Water Data		66,462	66,462
Rainy River Navig.		88,000	88,000
Wild & Scenic Rivers		115,026	115,026
Forest Soil Spec		130,765	130,765
River Planning		160,000	160,000
Natural Heritage Prg		174,006	174,006
Natural Resource Policy		276,000	276,000
Natural Resource Data		285,000	285,000
Land Resource Mgmt		475,044	475,044
Accelerate Private Forest Mgmt.		559,202	559,202
Outdoor Rec Act		700,000	700,000
Forest Resource Plan		705,752	705,752
Accel Phase II Inv.		730,700	730,700
Floodwater Retention		767,404	767,404
Water Access		999,572	999,572
St Pks Devel & Const		1,400,595	1,400,595
Shoreland Update		237,006	237,006
Fire Management Analysis		168,600	168,600
Cross Country Skiing			
St. Louis Cty Forest			
Supplemental Approp			
Three Wheeler Safety			
Special Revenue Apportionment		2,450,000	2,450,000

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Game & Fish		52,232,837	52,232,837
Federal Fund		5,435,100	5,435,100
Consv. Cos. Areas		1,000,000	1,000,000
Pulpwood Weight Study		1,000	1,000
Wildlife Aquisition		1,400,000	1,400,000
State Parks Endow.		4,801,000	4,801,000
Forest Management			
Snowmobile			
Total Devlp. and Cons.of Natl.Res.	\$ 110,468,187	\$ 155,515,100	\$ 45,046,913
Soil & Water Conservation Bd.	\$ 25,000		\$ (25,000)
Water Resources Bd.	\$ 181,200	\$ 178,827	\$ (2,373)
Zoological Bd.	\$ 9,873,800	\$ 9,321,889	\$ (551,911)
Other Funds			
Federal Fund		30,000	30,000
Total Zoological Bd.	\$ 9,873,800	\$ 9,351,889	\$ (521,911)
Natural Resources Acceleration			
Energy Agency	\$ 393,400		\$ (393,400)
Department of Health	24,500		(24,500)
Minnesota Historical Society	150,000		(150,000)
Department of Natural Resources	15,703,000		(15,703,000)
Pollution Control Agency	1,286,300		(1,286,300)
Lake Classification		\$ 110,900	110,900
University of Minnesota	2,959,800		(2,959,800)
Hydro Power Tech		200,000	200,000
Cement Proj Equip		250,000	250,000
Environmental Tech		488,000	488,000
Aeromagnetic Survey		818,000	818,000
Geology S.E. Minn		60,000	60,000
Accel Soil Survey		1,778,000	1,778,000
Historical Society		59,200	59,200
State Planning Agency	8,998,400		(8,998,400)
Hydro Redev Coord		28,000	28,000
Water Infor Systems		30,000	30,000
Wind Energy		44,000	44,000
Spec Peat Project		57,000	57,000
Outdoor Rec act		74,000	74,000
Energy Impact Analysis		75,000	75,000
Cogeneration		77,000	77,000
Combustion Turbine		85,000	85,000
Soil & Topo Data		85,000	85,000
Land Use Change		130,000	130,000
Info & Data Change	288,000	136,000	(152,000)
Solar Performance		146,000	146,000
Computer Work Station		210,000	210,000
Public Land Record		249,000	249,000
Regional Rec St		2,111,239	2,111,239
Local Rec Grants		2,889,161	2,889,161
Science Museum of Minn			(400,000)
Department of Transportation	400,000		400,000
Nat. Res. Federal Reimb. Act		125,000	125,000
Nat. Res. Fed. Reimb. Act			
Total Natl. Res. Acceleration	\$ 30,203,400	\$ 10,315,500	\$ (19,887,900)
Pollution Control Agency	\$ 9,100,000		\$ (9,100,000)
Ident. Control Acid Rain	52,283		(52,283)
Waste Mng. Admin.	408,000		(408,000)
Plan Assist. Grants (Waste)	570,000		(570,000)
Metro Solid Waste Mgmt	991,000	1,206,156	215,156
Water Pollution		4,401,956	4,401,956
Air Pollution		1,098,533	1,098,533
Regional Support		990,295	990,295

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
General Support		3,308,048	3,308,048
Solid & Hazardous Waste			
Acid Rain		81,070	81,070
Hazardous Waste			
Radioactive Waste			
Supplemental Approp			
Hazardous Waste			
Other Funds			
Federal Fund		10,562,400	10,562,400
Total Pollution Control	\$ 11,121,283	\$ 21,648,458	\$ 10,527,175
Miscellaneous The Great Lakes Commission	\$ 70,500		\$ (70,500)
Voyaguers Natl. Park Citizens Adv. Comm.	100,000	\$ 96,795	(3,205)
Southern Minn. River Basin Commission	80,000	82,508	2,508
Boundary Waters Canoe Area	60,000		(60,000)
Water Planning Bd.		453,329	453,329
Waste Mgmt. Bd.	718,000	2,385,420	1,667,420
Water Planning Bd.	288,000		(288,000)
Board of Animal Health		2,147,944	2,147,944
Water Resources			
Bd. Hazardous Waste			
Total Miscellaneous	\$ 1,316,500	\$ 5,165,996	\$ 3,849,496
Total Natural Resources	\$ 163,189,370	\$ 202,175,770	\$ 38,986,400
Agriculture			
Department of Agriculture	\$ 24,074,100		\$ (24,074,100)
Shade Tree Disease Program	25,000,000		(25,000,000)
State Horticultural Society	131,000	\$ 130,322	(678)
Market Development & Promotion	125,000		(125,000)
Grain Inspection Contingent	2,200,000		(2,200,000)
Agricultural Protection Svs		7,918,131	7,918,131
Agricultural Promotion Svs		5,538,755	5,538,755
Administration-Financial Aids Svs		6,672,717	6,672,717
Soil & Water Conserv.			
Family Farm Guarantee			
Milkhouse Loan Guarantee			
Grain Buyers			
International Trade			
Supplemental Approp			
Soil Conservation			
Other Funds			
Special Revenue Apportionment		227,500	227,500
Federal Fund		1,403,800	1,403,800
Total Agriculture	\$ 51,530,100	\$ 21,891,225	\$ (29,638,875)
Total-Other Executive Branch Functions	\$ 796,815,570	\$ 899,339,447	\$ 102,523,877
Legislative			
Legislature			
House	\$ 20,624,300	\$ 22,625,979	\$ 2,001,679
Senate	13,954,300	15,201,232	1,246,932
Legislative Coordinating Commission		191,967	191,967
Legislative Reference Library	747,700	754,769	7,069
Revisor of Statutes	2,807,900	4,276,003	1,468,103
Solid & Hazardous Waste	279,000		(279,000)
Economic Status of Women	153,800	165,129	11,329
Reapportionment-Data Process.	150,000		(150,000)
Legislative Reference Library	101,800		(101,800)
Revisor-Unpublished Laws	75,000		(75,000)
Legislative Commission on Energy	25,000		(25,000)
Reapportionment Commission	100,000		(100,000)
Legislative Comm. on Pensions & Retire.	248,200	221,284	(26,916)
Legislative Comm. to Review Adm. Rules	108,000	151,376	43,376
Legislative Audit Commission	30,000	20,400	(9,600)
Legislative Auditor	3,794,800	3,802,145	7,345
Joint Commission on Science & Tech.	224,700	81,200	(143,500)

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Tax Study Commission	575,000		(575,000)
Workers Compensation Study Commission	25,000	147,000	122,000
Comp Inc LCC Legislative Commission on Employee Rel.	200,000	170,284	(29,716)
Legislative Commission on Minnesota Res.	449,800	431,542	(18,258)
Retired Legislators Retirement Benefits	1,318,900		(1,318,900)
Legislative Retirement Contr.		2,464,630	2,464,630
Mississippi River Parkway Commission	40,000		(40,000)
Mpls. Government Structure	50,000		(50,000)
Econ Status of Women, Adv. Council			
Great Lakes Commission		64,200	64,200
Legislative Commission-Pension & Retire.			
-Epilepsy Study		21,500	21,500
Tax Study Commission		155,480	155,480
Study Commission-Waste Management		165,922	165,922
Revolving Funds Loan			
Leg Audit Metro Agencies			
Legislative Comm on Educ			
Legislative Comm on Hwy Study			
Interstate Coop Commission			
Miscellaneous			
Other Funds			
Federal Funds	15,600		(15,600)
Total Legislative	\$ 46,098,800	\$ 51,112,042	\$ 5,013,242
Judicial			
District & County Courts	\$ 20,116,600	\$ 23,104,919	\$ 2,988,319
District Court Adm		986,888	986,888
Judicial District Administrator	828,400		(828,400)
Public Defender	1,387,000	1,589,033	202,033
Legal Assist.Mn Prisoners			
Legal Advocacy			
Transcripts			
Board of Public Defense		686,500	686,500
Bd of Pub.Def.Suppl.Approp			
Supreme Court	5,201,800	4,608,783	(593,017)
Supreme Court Contingent	305,800		(305,800)
State Court Administrator	2,015,200	3,172,093	1,156,893
Judicial Council	788,500		(788,500)
Bd. of Judicial Standards	208,000	228,021	20,021
Minn. State Law Library	631,100	867,420	236,320
Tax Court of Appeals	508,200	576,642	68,442
Retirement Benefits-Judges & Survivors	3,335,800	4,759,200	1,423,400
Supplemental Approp			
Court of Appeals			
Atty Fees(Jur1 Stand)			
Other Funds			
Special Revenue Appt.			
Federal Funds	232,300		(232,300)
Total Judicial	35,558,700	40,579,499	5,020,799
Miscellaneous			
Claims Against the State	\$ 145,384	\$ 182,367	\$ 36,983
Fuel & Utility Contingent	14,904,500	2,465,000	(12,439,500)
Grain Inspect. Contingent	1,000,000		(1,000,000)
General Fund Contingent	8,300,000	6,470,000	(1,830,000)
R.A.Weber Compensation	2,400	2,400	
Dept. Heads, Judges & Legislators			
Economic Package for State Employees	133,532,500	151,496,589	17,964,089
Annualize 1/81 Cost of Living Adj.		27,744,000	27,744,000
Annualize 9/80 Insurance Increase		5,008,000	5,008,000
Pay Equity			
Interim Claims	153,966		(153,966)
Campaign Fund Checkoff			
Executive Council Emergency	4,000,000	1,464,100	(2,535,900)

	FY 80-81 1979 1980 Legislature	FY 82-83 1981 1982 Legislature	Increase or (Decrease) 1979-81 to 1981-83 Biennium
Retirement			
MSRS	135,300		(135,300)
Suppl. Benefits PERA	113,800	40,000	(73,800)
Constitutional Officers	164,500	222,390	57,890
Pre 1973 Retirement	11,600,000	11,300,000	(300,000)
Pension Repay on Retire			
Pension Equity Act			
Dept. of Education		695,068	695,068
Mn Educa. Computing Consortium		52,900	52,900
State University Bd.		10,060,000	10,060,000
Community Colleges Bd.		5,497,200	5,497,200
Dept of Corections		199,100	199,100
Dept. of Public Welfare		334,600	334,600
Dept. of Economic Security		23,200	23,200
Pre 1973 Retire. Adj.		115,000	115,000
Pension Fund Reimbursement			
Apportionments			
N.E. Minn. Economic Protection Fund	17,702,720	11,625,900	(6,076,820)
Taconite Environmental Prot. Fund	35,405,542	29,956,900	(5,448,642)
Iron Range Resources & Rehab. Board OF	5,601,040	8,743,004	3,141,964
Labor & Industry Records Computerization		450,000	450,000
Small Buisness Conference	10,000		(10,000)
Admin. Hearings-Work. Comp.			
Work.Comp.Court of Appeals			
Total Miscellaneous	<u>\$ 232,771,652</u>	<u>\$ 274,147,718</u>	<u>\$ 41,376,066</u>
GRAND TOTAL	<u><u>\$10,241,130,029</u></u>	<u><u>\$11,396,087,803</u></u>	<u><u>\$ 1,154,957,774</u></u>

Table H 2
Itemized Appropriations
1981-1982, 1983-1984 Legislatures

Appropriations All Funds
1981-83 and 1983-85 Bienniums

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Tax Relief & Local Govt. Aid			
Aid to Police & Fire Depts.	\$ 45,324,780	\$ 46,273,400	\$ 948,620
Local Police & Fire Amortization	13,073,082	13,073,600	518
Pension Reimbursement—Minneapolis	10,164,717	13,760,900	3,596,183
Leech Lake White Earth Reservation	687,765	946,700	258,935
Railroad Property Tax Relief		6,600,000	6,600,000
Agricultural Preservation Credit		263,700	263,700
Disaster Credit		462,600	462,600
Supplementary Property Tax Relief		2,185,500	2,185,500
School Energy Conservation		2,015,000	2,015,000
School Agricultural Credit	132,267,200	193,214,700	60,947,500
Homestead Credit			
School Districts	321,932,190	498,847,300	176,915,110
Other Taxing Districts	474,642,560	519,380,900	44,738,340
Attached Machinery			
School Districts	3,012,300	4,033,600	1,021,300
Other Taxing Districts	19,044,800	12,256,300	(6,788,500)
Reduced Assessment Credit			
Aid to School Districts	6,357,841	6,543,600	185,759
Cities, Towns, Counties	14,286,200	8,796,000	(5,490,200)
Low Income Credit	28,000,000	20,000,000	(8,000,000)
Renters Credit	95,087,000	180,801,000	85,714,000
Sr. Cit. & Dis.-Homeowners	67,253,000	111,700,000	44,442,000
Property Tax Refund	58,540,000	78,275,700	19,735,700
Targeting/Prop. Tax Increases	19,200,000	19,000,000	(200,000)
Wetlands Property Tax Refund			
Aids to School Districts	2,891,299	2,600,300	(290,999)
Cities, Towns, Counties	3,537,560	2,341,700	(1,195,860)
Native Prairie Cr. & Reimb.			
Aid to School Districts	82,644	145,000	62,356
Cities, Towns, Counties	103,290	145,800	42,510
Payments in Lieu of Taxes-DNR Lands	4,350,000	8,725,000	4,375,000
Aids to Local Govts.	443,625,500	544,119,000	100,493,500
Apportionments			
Inheritance			
Mining Apportionments			
Taconite Homestead Credit	27,648,300	28,600,000	951,700
Municipal Aid	13,066,000	12,639,800	(426,200)
County Road & Bridge	6,036,800	5,740,200	(296,600)
Cities & Towns	2,655,700	2,569,000	(86,700)
County	23,432,200	22,285,000	(1,147,200)
Railroads	6,321,800	6,321,800	
Municipality & School Assn.	212,500	196,700	(15,800)
Total Property Tax Relief and Aids to Local Governments	\$ 1,842,842,028	\$ 2,374,859,800	\$ 532,017,772
Education			
Department of Education			
Early Childhood—CQE			
Venture Fund Grants			
Bilingual Education			
Native American Education			
Alcohol Fuel Conv. Grants			
Indian Language & Cul. Prog.			
Indian Education	925,711		(925,711)
Out of School Study			
Grants-Handicapped Adult Prog.			

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Chemical Dependency			
ESV Computer Council			
Vocational Education			
Student Organz. Center			
Agriculture Coord.			
Voc Tech Instruction	5,621,677	7,043,300	1,421,623
Special Services	3,253,531	4,141,000	887,469
Instructional Services	3,713,394	9,753,500	6,040,106
School Mgmt. Services	14,661,819	10,966,900	(3,674,919)
Auxiliary & General Support	3,509,747	4,130,300	620,553
Board of Teaching	307,463	378,100	70,637
Residential Schools	11,110,111	11,153,900	43,789
Review Needs—State Hospitals			
Pre-school Screening	1,753,129	1,503,200	(249,929)
Net Lake Unempl Comp		20,000	20,000
ESU Regional Subs		1,600,000	1,600,000
Suppl Approp		238,000	238,000
Vo-Tech Bd		100,000	100,000
AVTI Sys Program		600,000	600,000
Total Department of Education	<u>\$ 44,856,582</u>	<u>\$ 51,648,200</u>	<u>\$ 6,791,618</u>
School Aids			
Foundation	1,152,274,186	1,143,149,000	(9,125,186)
Foundation—prior year	2,715,919		(2,715,919)
Summer School	12,472,645		(12,472,645)
Transportation	200,904,128	168,729,400	(32,174,728)
Special Education	184,821,409	258,386,400	73,564,991
Special Education Deficiency			
Foundation			
Categorical			
Instructional	102,524,388	177,883,000	75,358,612
Supply	28,458,804	2,370,000	(26,088,804)
Support Services	30,440,295	2,428,000	(28,012,295)
Capital Expenditure	18,065,643	1,458,000	(16,607,643)
R & B Aid	2,474,543	3,439,200	964,657
Debt Service	15,331,100	13,752,600	(1,578,500)
Contingent	250,000		(250,000)
Fixed Asset Impl.	139,118		(139,118)
Adult Vocational	13,299,298	15,854,000	2,554,702
Small Business Mgmt Program			
Veteran Farmer Coop Training	1,211,233	615,400	(595,833)
Energy Mgmt. for Build. Oper.	95,500		(95,500)
Secondary Vocational Education			
Deficiency	36,920,255	39,615,000	2,694,745
Handicapped Students Program	4,052,052	5,319,000	1,266,948
Endowment School Apportionment	50,000,000	50,000,000	
Taconite Apportionment	36,811,500	38,049,500	1,237,000
Educational Cooperative Service Units	1,359,053		(1,359,053)
Special School Aids			
Adult Education	2,020,368	2,686,000	665,632
Deficiency			
G.E.D. Reimbursement			
Community Education	6,425,331	7,116,600	691,269
Emergency			
Education Planning & Dev.	1,057,941		(1,057,941)
Capital Exp. Equalization—Deficiency	1,075,865	532,500	(543,365)
Educ. Coop Service Units		1,286,000	1,286,000
Basic Skills			
Abatement	5,471,430	4,400,000	(1,071,430)
School Lunch	7,923,700	7,800,000	(123,700)
Food Storage & Transportation	1,645,400	1,450,000	(195,400)
Gifted & Talented Students	968,493	1,284,000	315,507
Chemical Use Programs	1,713,711	1,958,000	244,289
CQE Venture Fund Grants		1,594,000	1,594,000
CQE Alternative Grants	385,262		(385,262)
Emergency Aid	49,607		(49,607)

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Sp Pur Cap Expend. Equi Aid	52,903	98,000	45,097
Early Childhood & Family Educ	2,644,998	1,026,100	(1,618,898)
Basic Support Grants LIB		8,985,200	8,985,200
Multi-County Library Systems	323,369	382,800	59,431
Indian Contingency Aids	286,519	294,000	7,481
Improved Learning Programs	274,354		(274,354)
Pine Point Election	1,500		(1,500)
Pine Point Work. Comp		33,000	33,000
Pine Point Repair	24,607		(24,607)
Secondary Coop. Agreements			
Haz. Subst. Equal Aid		38,000	38,000
CPR Instruction		34,000	34,000
Arts Education		30,000	30,000
Interdistrict Coop Aid		850,000	850,000
Supp Appr		7,668,700	7,668,700
Limited English Profic.	5,482,661		(5,482,661)
School Lunch			
Health & Dev. Screening Prgms.			
Early Retirement Incentives	3,819,604	3,945,500	125,896
Part-Time Teacher Benefits	137,969	256,000	118,031
Extended Leaves of Absence	2,441,675	2,667,000	225,325
Max Effort School Loan Fund	9,500,200	6,391,000	(3,109,200)
Aid to Non-Public Schools	7,565,823	12,520,000	4,954,177
Deficiency 1981 Claims	1,147,500		(1,147,500)
Educational Technology Act		5,102,000	5,102,000
Teacher Retirement and Social Security			
Cities of First Class	32,234,093	37,276,800	5,042,707
Statewide	264,598,585	344,525,000	79,926,415
TRA			
Teachers Suppl.			
Community Library Services	7,211,944		(7,211,944)
Total School Aids	\$ 2,261,106,481	\$ 2,383,277,700	\$ 122,171,219
Community Colleges	\$ 74,099,255	\$ 106,336,000	\$ 32,236,745
State Universities	\$ 155,444,802	\$ 213,828,300	\$ 58,383,498
University of Minnesota			
General			
Operations & Maintenance	366,615,429	495,633,200	129,017,771
Equipment Replacement			
Student Loans	350,000	185,600	(164,400)
Disadvantaged Students	721,683		(721,683)
Library Supplement			
Inter Collegiate Athletics	2,942,490	3,461,200	518,710
Summer School Tuition & Cont. Ed.	2,342,833	2,646,000	303,167
Family Practice & Graduate Res.		932,300	932,300
Medical Services & Instruction	3,137,198		(3,137,198)
Health Sciences & Corntingent	4,422,901		(4,422,901)
Duluth Campus—Specials			
Health Science Outreach Grts.			
Ethanol Demo. Plant			
Faculty Travel		174,300	174,300
Micro Elect. & Eng. Center		1,200,000	1,200,000
Natl. Res. Research Inst.		3,900,000	3,900,000
Productivity Center		500,000	500,000
Research			
General Research	3,983,317	3,722,100	(261,217)
Mineral Resource Research Center	607,782	844,600	236,818
General Agricultural Research	17,611,470	21,815,200	4,203,730
Hormel Institute	267,497	318,200	50,703
Veterinary Diagnostic Lab & Hospital	1,499,798	2,190,200	690,402
Geological Survey	1,107,871	1,330,900	223,029
Lake Superior Basin	226,664	262,200	35,536
Sea Grant	198,251	237,600	39,349
Freshwater Biological Research Inst.			

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Medical Research	3,249,490	3,899,500	650,010
Coleman Leuk. Research. Fund	350,000	430,500	80,500
Plant Biomass Research	235,500	259,500	24,000
Immigration Hist. Research Center	225,000		(225,000)
Agricultural Extension Serv.	17,275,219	21,802,300	4,527,081
Inflation Allow. Univ. Spec.	1,351,000		(1,351,000)
Community Services			
Science & Technical Center	125,000		(125,000)
Fellowship-Minority & Disadv. Study	71,500	100,000	28,500
Agricultural Extension Service			
Indigent Patients	4,950,000	4,000,000	(950,000)
Special Hospitals & Community Serv.	14,335,770	25,462,400	11,126,630
University Galleries			
Industrial Relations Education	1,020,410	1,212,800	192,390
Salary Supplements & Adjustments			
Maxi-Audits-Energy-Buildings			
Environmental Path.Lab.		100,000	100,000
Bio Technology Center		920,000	920,000
Faulty Retirement		960,000	960,000
China Center		75,000	75,000
Talented Youth Math		75,000	75,000
Underground Space Center		200,000	200,000
Super Computer Inst.		1,600,000	1,600,000
Total University of Minnesota	<u>\$ 449,224,073</u>	<u>\$ 600,450,600</u>	<u>\$ 151,226,527</u>
Higher Education Coordinating Board			
Salaries & Expense	3,820,982	3,918,500	97,518
State Scholarship, Nursing & Grants-in-Aid	53,240,000	94,640,000	41,400,000
Part-Time Student Subsidy	565,500		(565,500)
Special Assistance	2,400		(2,400)
Tuition Reciprocity	10,969,000	11,650,000	681,000
State Work Study	7,888,800	8,637,600	748,800
Medical Student Loans	232,526	115,000	(117,526)
AVTI Tuition Subsidy	2,793,700		(2,793,700)
Private College Contracts	3,868,000		(3,868,000)
Regional Coordination & Service	97,241		(97,241)
Minitex Library Program	1,159,400	1,289,600	130,200
SW & West Central Consortium	18,459		(18,459)
Scholarships/Grants	6,750,000		(6,750,000)
M & O Reserve	217,341		(217,341)
Small Business Institutes			
M.O.I.S.			
Student Aids Data Processing			
Study of AVTIs			
Teachers/State Univ. & Comm. Coll. Direct			
Unemployment Compensation		20,000	20,000
Mayo Medical School	2,497,000	2,548,600	51,600
Family Practice Graduate Program	324,000		(324,000)
Total Higher Education Coord. Board	<u>\$ 94,444,349</u>	<u>\$ 122,819,300</u>	<u>\$ 28,374,951</u>
Sub Total Education	<u>\$ 3,079,175,542</u>	<u>\$ 3,478,360,100</u>	<u>\$ 399,184,558</u>
Open Appropriations			
Department of Education			
Tuition and Course Fees, and Misc.			
Income (Comm. College)	204,869,600	60,057,200	(144,812,400)
Income (State Univ. Bd.)	74,572,100	107,688,700	33,116,600
Income(U.of M.)	41,978,900	245,203,800	203,224,900
Higher Education Coordinating Board OF			
Higher Education Facilities Auth.OF			
Education Computing Consortium OF			
Federal Funds	325,757,100	259,374,800	(66,382,300)
Perm. Univ. Trust Fd	5,000,000	5,000,000	
Total Miscellaneous	<u>\$ 652,177,700</u>	<u>\$ 677,324,500</u>	<u>\$ 25,146,800</u>
Total Education	<u>\$ 3,731,353,242</u>	<u>\$ 4,155,684,600</u>	<u>\$ 424,331,358</u>

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Welfare, Corrections, Health and Econ. Security			
Department of Public Welfare			
Programs & Adm. Support	\$ 17,825,064	\$ 2,676,800	\$ (15,148,264)
Administration		2,000,000	2,000,000
County Administrative Expense			(6,041,444)
Special County Aid	6,041,444	19,287,200	19,287,200
Support Services		137,574,700	135,559,330
Social Services	2,015,370		(1,817,480)
Day Care	1,817,480		(4,830,420)
Emotionally Disturbed	4,830,420		(12,468,544)
Mentally Retarded	12,468,544		(9,702,950)
Aging, Blind & Deaf	9,702,950		
Social Service Support			(72,199,675)
Social Service Grants	72,199,675		(23,253,410)
Income Maintenance	23,253,410		(17,582,025)
Public Assist. (MA, AFDC, MSA)	872,753,825	855,171,800	8,537,000
Medical Assistance-Deficiency	5,500,000	14,037,000	81,144,331
General Assistance & GAH	100,855,669	182,000,000	7,741,000
Job Program		7,741,000	348,020,309
Mental Health	1,229,291	349,249,600	(12,177,027)
Mentally Ill	12,177,027		(3,563,472)
Mentally Retarded	3,563,472		(3,700,974)
Chemically Dependent	3,700,974		
Community Mental Health Centers			
Developmental Achievement Centers			(233,011,472)
State Hospitals	233,011,472		
Nursing Homes			
Mental Health Support			
Other Welfare			
Contingency Funds		300,000	300,000
Facilities for M.R.		2,217,000	2,217,000
Title XX Correction		1,666,000	1,666,000
Day Care Sliding Fee		1,500,000	1,500,000
Nursing Home Rates		14,083,300	14,083,300
Compulsive Gamblers		50,000	50,000
Other Supplemental		1,744,700	1,744,700
Subsidized Adoptions			(2,140,908)
Child Care Services	2,140,908		
Community Social Services-Plan. Grants			
Mental Health Grants			
Volunteer Prog. for Seniors			
Building Repairs & Rehabilitation			
Mental Health Centers Regul.			
M.A. Recip.-Income Disregard Relaxation			
G.A. Medical Care-Work Incen.			
Vulnerable Adults			
Personal Needs Allow. Incr.			
Nursing Home Rate Anal.			
Computer Retrieval Syst.			
Evalu. of Committed Persons			
Hearing Impaired-Access to Hum. Serv.			
Nursing Home-Pre Adm. Screen.			
Reimb.Co.Expense-Energy Assis.			
Computer Costs			
Move Loc. Inc. Maint. Bureau			
American Indian-Chem. Depen.			
Hearing Impaired Prog.			
State Hosp.-Compl. Incr.			
Family Subsidy Prog.			
State Adoption Exch.			
Serv. to Brain Inj. Per.			
Incr. State % Share-Welfare Aids			(22,344,946)
State Nursing Home Control	22,344,946		(68,300)
Contingent-Nursing Home	68,300		(3,336,992)
Contingent-Nursing Home	3,336,992		

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Cont. Repair Nursing Homes	146,500		(146,500)
Sub Total Department of Public Welfare	<u>1,410,983,733</u>	<u>1,591,299,100</u>	<u>180,315,367</u>
Dedicated Revenues—			
Miscellaneous Reimbursement	87,104,300	118,208,500	31,104,200
Hospital Receipts		276,861,500	276,861,500
Other Funds			
Federal Fund	1,298,228,700	1,623,941,400	325,712,700
Total Department of Public Welfare	<u>\$ 2,796,316,733</u>	<u>\$ 3,610,310,500</u>	<u>\$ 813,993,767</u>
Department of Corrections			
Minn. Correction Bd.			
General Support			
County Probation Reimbursement			
Subsidy Programs			
Support			
Special Services			
Health Care	\$ 4,434,292		\$ (4,434,292)
Education			
Victim Services	4,841,697		(4,841,697)
Support			
Community Services	33,167,727	\$ 42,761,200	9,593,473
Correctional Institutions	72,521,831	109,516,400	36,994,569
Reimbursement to Inmate for Injury	1,687		(1,687)
Sentencing Guidelines Commission		299,000	299,000
Corrections Ombudsman	306,442	542,100	235,658
Ombudsman-Dept	455,113		(455,113)
State Institutional Contingent	1,057,000		(1,057,000)
Policy & Planning	2,230,566	2,873,800	643,234
Management Services	3,180,574	3,753,500	572,926
Special Equipment	736,900		(736,900)
Education	624,234		(624,234)
Industry Sub Sta	1,200,000		(1,200,000)
Community Corrections		2,100,000	2,100,000
Supplemental Approp.		152,700	152,700
Dedicated Revenues-			
County Reimbursement		111,108,500	111,108,500
Hospital Receipts		276,861,500	276,861,500
Misc.		7,100,000	7,100,000
Other Funds			
Federal Fund	1,773,700	1,174,600	(598,900)
Total Department of Corrections	<u>\$ 126,531,763</u>	<u>\$ 163,173,500</u>	<u>\$ 36,641,737</u>
Commissioner of Health			
Preventive Personal Health	\$ 15,887,209	\$ 18,205,500	\$ 2,318,291
Health Systems Quality Assurance	2,532,311	3,113,700	581,389
Health Support Services	27,507,471	27,766,800	259,329
Ident., C. & Abate.-Acid Precip.			
Poison Inf. Cent.			
Home Serv. Grants-Phys. Imp.			
Nursing Home Dental P.			
Omnibus Health		193,000	193,000
Supplemental Approp.		786,000	786,000
Health Related Boards		4,405,200	4,405,200
Contingent for State Inst.	750,000		(750,000)
Cloquet Water		650,000	650,000
Federal Funds	54,104,500	62,603,900	8,499,400
Total Department of Health	<u>\$ 100,781,491</u>	<u>\$ 117,724,100</u>	<u>\$ 16,942,609</u>
Department of Economic Security			
Employment & Training			
Vocational Rehabilitation Services		\$ 31,717,100	\$ 31,717,100
Management & Coordination			
Coordination of Residential Weath.			
Department of Vocational Rehab.	\$ 23,463,365		(23,463,365)

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Youth Summer Employment	4,590,035		(4,590,035)
Regional Cent.-Hearing Imp.			
Heating Asst. Grants			
Job Service		7,769,800	7,769,800
Training & Community Prgs.	14,310,661	10,229,400	(4,081,261)
Program & Mgmt Support		550,000	550,000
Jobs Program		138,830,000	138,830,000
Supplemental Approp.		378,600	378,600
Weatherization		1,000,000	1,000,000
Sheltered Workshops		51,000	51,000
Job Skills Partnership		1,500,000	1,500,000
Other Funds			
Federal Fund	237,683,100		(237,683,100)
Total Dept. of Economic Security	<u>\$ 280,047,161</u>	<u>\$ 192,025,900</u>	<u>\$ (88,021,261)</u>
Open Appropriations			
Department of Corrections			
Department of Economic Security			
Federal Funds			
Total Open Appropriations			
Total Health/Welfare/Corrections	<u>\$ 3,303,677,148</u>	<u>\$ 4,083,234,000</u>	<u>\$ 779,556,852</u>
Highways & Mass Transit			
Department of Transportation			
Policy & Planning			
Planning & Programming		\$ 2,908,500	\$ 2,908,500
Transportation Development			
Transportation Services			
Bikeway Regulation		75,000	75,000
General Support		82,900	82,900
Supplemental Approp		267,500	267,500
Highway Operations			
Maintenance			
Highway Development-Deficiency			
Construction Support			
Highway Improvements			
Trunk Hwy. M.V.E.		23,650,000	23,650,000
County State Aid M.V.E.		11,300,000	11,300,000
Municipal State Aid M.V.E.		3,400,000	3,400,000
Highway Debt Service			
Public Transportation Operations			
Rates & Regulation			
Transit Administration			
Transit Assistance Grants	\$ 38,549,923	45,805,200	7,255,277
Operating Subsidies-Deficiency			
Transit Assistance M.V.E.		12,600,000	12,600,000
Railroads, Ports & Pipelines			
Rail Service Improvement Grants	876,000		(876,000)
Ride Sharing & Pooling			
Transit Assist. Grts.			
Amtrak Rail Subsidy	200,000		(200,000)
Metro. Coun. Light Rail Study			
Other Funds			
Municipal State Aid	95,167,524	105,600,000	10,432,476
County State Aid	267,162,853	318,300,000	51,137,147
Trunk Highway	760,619,424	1,243,840,600	483,221,176
Highway User	18,656,233	14,595,800	(4,060,433)
Total Highways	<u>\$ 1,181,231,957</u>	<u>\$ 1,782,425,500</u>	<u>\$ 601,193,543</u>
Aeronautics			
Operations			
Development & Assistance			
Hangar Revolving Account			
Pine Creek Airport			

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Air Transportation Services			
Debt Service			
Other Funds			
State Airports	\$ 25,946,647	\$ 19,825,500	\$ (6,121,147)
Total Aeronautics	\$ 25,946,647	\$ 19,825,500	\$ (6,121,147)
Technical Support			
General Support			
Administration & Program Management	2,267,675		(2,267,675)
Administration			
Gov. & Community Relations			
Equipment			
General Services			
Legal Services Other Highway			
Other Highway			
Repair & Rehabilitation			
Access Road to Stillwater Prison			
Access Road to Thistledeew			
Minnetonka By-Pass			
Total General Support	\$ 2,267,675		\$ (2,267,675)
Sub Total Highways and Mass Trans.	\$ 1,209,446,279	\$ 1,837,393,100	\$ 627,946,821
Federal Funds	\$ 43,610,100	\$ 35,142,100	\$ (8,468,000)
Total Highway	\$ 1,253,056,379	\$ 1,837,393,100	\$ 584,336,721
Other Executive Branch Functions			
Governor-Lt. Governor			
Executive Operations	\$ 2,787,033	\$ 4,301,500	\$ 1,514,467
Inter State Rep-coop	131,525	123,600	(7,925)
Executive Council		300,000	300,000
Interstate Representation			
Committees and Task Forces			
Unemployment Comp.-Bicentennial Comm.			
Washington D.C. Office			
Other Funds			
Federal Fund	350,000		(350,000)
Total Governor and Lt. Governor	\$ 3,268,558	\$ 4,725,100	\$ 1,456,542
General State Government			
State Auditor	\$ 502,975	\$ 765,000	\$ 262,025
State Treasurer	\$ 1,057,775	\$ 1,984,300	\$ 926,525
Escheats	673,895		(673,895)
Unclaimed Prop.to Commerce		(787,300)	(787,300)
Total State Treasurer	\$ 1,731,670	\$ 1,197,000	\$ (534,670)
Secretary of State			
Deficiency			
Initiative & Referendum			
Open Appointments			
Elections & Publications	\$ 179,340	\$ 751,100	\$ 571,760
Uniform Commercial Code	156,600	214,300	57,700
Business Services	734,767	1,061,400	326,633
Administration	511,420	537,400	25,980
Fiscal Operations	102,900	178,900	76,000
Microfilming		50,000	50,000
Total Secretary of State	\$ 1,685,027	\$ 2,793,100	\$ 1,108,073
Department of Administration			
Repairs & Betterments		\$ 24,438,000	\$ 24,438,000
Postage Contingent			
Repair & Rehabilitation Cap. Complex			
Energy Conservation Survey			
Deficiency			

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
State Govt. Resources Recv.			
Commuter Van Purchase			
Small Business Set Aside			
County Litg.Reimb.Indian Land			
Management Services	\$ 6,050,350	7,544,300	1,493,950
Real Property Management	15,907,945	18,378,900	2,470,955
State Agency Services	2,722,359	3,568,000	845,641
Public Services	5,713,131	8,960,600	3,247,469
General Support	1,671,917	1,894,800	222,883
Public Broadcasting		2,300,000	2,300,000
Repairs & Betterments		1,001,700	1,001,700
Reg. Waste Disposal		7,000,000	7,000,000
Supplemental Approp.		703,000	703,000
Other Funds			
Federal Funds		2,950,000	2,950,000
Total Administration	\$ 32,065,702	\$ 78,739,300	\$ 46,673,598
Department of Economic Development			
Tourism Contingent			
Small Business Assis.Cent.			
Duluth Port Auth.			
Development Resources			
Other Funds			
Federal Fund	\$ 120,000	\$ 382,913,000	\$ 382,793,000
Total Dept.of Economic Development	\$ 120,000	\$ 382,913,000	\$ 382,793,000
Department of Finance			
Tort Claims	\$ 800,000		\$ (800,000)
Attrition Study-State Employees			
Annual State Financial Report			
Payroll & Personnel Inf. Sys.			
Adv. Inflation Adj.			
Financial Operations	6,127,829	\$ 8,208,700	2,080,871
Budget & Control	2,039,076	2,590,400	551,324
Financial Management	694,454	2,222,500	1,528,046
General Support	1,226,034		(1,226,034)
Short Term Borrowing Costs	114,451,400	37,300,000	(77,151,400)
Debt Service	226,339,600	195,465,300	(30,874,300)
New Debt Service		60,235,000	60,235,000
Pari Mutual Racing		741,300	741,300
Compensation Increase		4,802,900	4,802,900
State Workers Fund		125,600	125,600
State Workers Fund		5,601,800	5,601,800
Tax Study Commission		240,000	240,000
Claims		25,400	25,400
World Trade C.Staff		575,000	575,000
Non-Operating		17,700	17,700
Other Funds			
Federal Funds		2,293,200	2,293,200
Total Finance	\$ 351,678,393	\$ 320,444,800	\$ (31,233,593)
Department of Employee Relations			
Job Sharing Project			
Labor Relations Div.Exp.	\$ 783,550	\$ 746,600	\$ (36,950)
Affirmative Action Veterans			
Interns & Summer Youth Work			
Personnel Technical Service	2,026,757	3,710,100	1,683,343
Adm. & Special Services	1,553,218	2,083,200	529,982
Equal Opportunity	1,323,600	316,400	(1,007,200)
Insurance Program		127,300	127,300
Department of Personnel			
Personnel Board			
Other Funds			
Federal Funds	550,000		(550,000)
Total Dept. of Employee Relations	6,237,125	6,983,600	746,475

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Department of Revenue			
Railroad Gross Earn. Adm.			
Sales Ratio Study			
Adm. Expense			
Revenue Mgmt.	\$ 15,241,639	\$ 20,058,100	\$ 4,816,461
Income Sales & Use Tax	29,806,828	38,176,800	8,369,972
Property & Special Taxes	8,471,302	8,403,300	(68,002)
Assessors Board	144,329	239,900	95,571
Unitary Tax Unit	400,000		(400,000)
Hazardous Waste		90,000	90,000
Omnibus Tax		484,000	484,000
Hazardous Waste		75,000	75,000
Total Dept. of Revenue	\$ 54,064,098	\$ 67,527,100	\$ 13,463,002
Department of Veterans Affairs			
Hastings Veterans Home	\$ 3,082,934	\$ 4,114,500	\$ 1,031,566
Minn. War Dead Mem.			
Veterans Home Mpls.	9,266,656	12,192,400	2,925,744
Educ. Benefits-Soldiers & Dep.			
Veterans Benefits & Services	4,189,000	4,533,600	344,600
Big Island Veterans Camp	33,500	8,600	(24,900)
Information & Assist	62,500		(62,500)
Building Conversion		1,051,300	1,051,300
Supplemental Approp		140,000	140,000
Total Dept. of Veterans Affairs	\$ 16,634,590	\$ 22,040,400	\$ 5,405,816
State Planning Agency			
Annual Population Estimate			
Environment Study Contingent			
Power Plant Siting			
Business License Center	\$ 427,176		\$ (427,176)
Power Plant Projects	21,100		(21,100)
Local Govt. Off. Trng.			
Planning	7,170,374	\$ 8,057,500	887,126
Energy	3,686,032	5,826,100	2,140,068
Community Development	4,378,538	3,542,000	(836,538)
Tourism Services	2,363,735	8,576,900	6,213,165
Gen. Support-Plng., Engy. Dev.	1,777,710		(1,777,710)
Financial Management		24,999,500	24,999,500
Science & Technical Inst.		497,400	497,400
School Energy Conserv.		1,079,300	1,079,300
Factory Expansion		3,500,000	3,500,000
Economic Recovery Act		6,000,000	6,000,000
Marketing Minnesota		1,100,000	1,100,000
High Tech Corridor		6,000,000	6,000,000
Suppl. Approp.		3,274,700	3,274,700
So. Minn. River Basin		104,700	104,700
Environmental Quality Bd.		2,579,600	2,579,600
State Hosp. Redevlp.		250,000	250,000
Suppl. Approp.		408,000	408,000
Energy Agency			
Energy Conservation Projects			
Various Energy Projects	5,000		(5,000)
Other Funds			
Federal Fund	5,133,000	51,302,100	46,169,100
Federal Fund	10,175,600		(10,175,600)
Total State Planning	\$ 35,138,265	\$ 127,097,800	\$ 91,959,535
Capital Area Architectural & Plan Bd.	151,782	182,100	30,318
Council for the Handicapped	546,226	667,400	121,174
Total Other Exec. Branch	\$ 503,844,111	\$ 1,016,075,700	\$ 512,231,589
Ethical Practices Bd.	1,876,770	344,000	(1,532,770)
Indian Affairs Intertribal Bd.	345,109	414,000	68,891

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Indian Burial Grounds		40,000	40,000
Federal Funds	95,300	0	(95,300)
Total Indian Intertribal Bd.	\$ 440,409	\$ 454,000	\$ 13,591
Investment Bd.	2,199,236	2,796,300	597,064
Minnesota Academy of Science	40,800	40,900	100
Minnesota Historical Society	11,276,759	13,790,200	2,513,441
Historic Site I.D. Devlp. & Grants		492,400	492,400
Sibley House			
State Govt. Site Markers			
Historic Site Maint.			
Analysis of State Records	142,000		(142,000)
Fiscal Agent	132,500	352,100	219,600
Grants in Aid	381,302		(381,302)
Federal Fund	440,000	613,600	173,600
Supplemental Approp		116,500	116,500
Total Minn. Historical Society	12,372,561	15,364,800	2,992,239
Science Museum of Minn.-Loans & Grants	400,000	563,900	163,900
Minnesota Housing Finance Agency	19,087,300	26,200,000	7,112,700
Energy Grants			
Total Minn. Housing Agency	19,087,300	26,200,000	7,112,700
Minnesota Municipal Bd.	291,738	392,900	101,162
Minnesota Safety Council			
Board of the Arts		464,400	464,400
Public TV Grants	3,048,300		(3,048,300)
Arts Org. Support		1,949,200	1,949,200
Reg. Arts Fiscal Agent		1,425,900	1,425,900
Artists Service Support		250,000	250,000
Supplemental Support		105,000	105,000
Other Funds			
Federal Fund	1,030,600	711,400	(316,200)
Total Bd. of Arts	4,078,900	4,908,900	830,000
Council Affairs of Spanish Speaking People	169,616	210,100	40,484
Minnesota Humane Society	43,800	43,800	
Miscellaneous Veteran Associations	88,600	95,200	6,600
Uniform Laws Commission	22,300	23,900	1,600
Supplemental Approp		4,000	4,000
Total Uniform Law Commission	22,300	27,900	5,600
Minnesota-Wisconsin Boundary Area Comm.	107,700	133,400	25,700
Council on Black Minn.	149,370	210,000	60,630
Total General State Government	545,193,511	1,067,861,800	522,668,289
Protection to Persons Property			
Attorney General			
Deficiency			
Workers Compensation Law Changes		406,400	406,400
Legal-Hazardous Waste			
Public Administration	2,542,020	3,099,300	557,280
Public Resources	5,121,282	6,232,200	1,110,918
Public Assistance	2,588,151	3,504,300	916,149
Public Protection	5,514,594	6,988,100	1,473,506
Legal Policy and Adm.	5,208,400	5,818,500	610,100
Hazardous Wastes		102,000	102,000
Supertund		47,300	47,300
White Earth		600,000	600,000

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Insurance Omnibus		31,000	31,000
Other Funds			
Federal Fund	259,200		(259,200)
Total Attorney General	21,233,647	26,829,100	5,595,453
Department of Commerce			
Workers Compensation Rate Hearings			
Regulation-Local Govt. Self Ins.			
Energy Admin.			
Rental Housing Discrm.			
State Chartered Financial Instit.	4,387,454	5,211,100	823,646
Investment Protection	1,473,216	1,884,200	410,984
Consumers Services	1,842,083	2,093,900	251,817
Regulation of Insurance	3,145,623	4,085,800	940,177
General Support	1,484,912	1,377,900	(107,012)
Workers Compensation	76,230	459,900	383,670
Hazardous Waste		5,000	5,000
Ins. Agents Cont.Educ.		60,000	60,000
Unclaimed Property		787,300	787,300
Commerce Enforcement		348,500	348,500
Commerce Omnibus		62,400	62,400
Other Funds			
Special Revenue Apportionment	325,400	379,300	53,900
Federal Fund	103,100		(103,100)
Total Dept. of Commerce	12,838,018	16,755,300	3,917,282
Department of Human Rights			
Age Discrimination			
Unemployment Compensation			
Human Rights Enforcement	1,156,288	1,879,700	723,412
Plg. Public Info. Admin. Serv.	797,993	924,600	126,607
Duluth Office	20,000		(20,000)
Supplemental Approp.		362,500	362,500
Other Funds			
Federal Fund	724,700	825,500	100,800
Total Dept. of Human Rights	2,698,981	3,992,300	1,293,319
Department of Labor & Industry			
Workers Comp. Court of Appeals			
Industrial Hygienists-Contingent			
Empl.Stad. Reg/Enf	1,212,878	1,532,500	319,622
Wrks. Comp. Reg./Enf.	10,576,098	7,033,000	(3,543,098)
Code Enforcement	1,131,784	1,460,700	328,916
OSHA Reg/Enf.	1,560,680	2,003,500	442,820
General Support	1,500,007	2,045,000	544,993
Workers Compensation		492,400	(492,400)
Information Mgmt. Serv.		1,095,100	1,095,100
W.C. Court of Appeals	9,656		(9,656)
Mediation Services	1,650,488		(1,650,488)
W.C. Moving exp	73,400		(73,400)
Public Employee Relations Bd.	84,197		(84,197)
Workers Comp		4,089,900	4,089,900
Workers Comp		1,312,500	1,312,500
Employee Right to Know		100,000	100,000
Supplemental Approp.		222,700	222,700
Pipefitters		197,200	197,200
Other Funds			
Special Revenue Apportionment	216,000	3,375,900	3,159,900
Federal Fund	2,623,000	3,243,500	620,500
Total Dept. of Labor and Industry	21,130,588	27,711,500	6,580,912
Department of Military Affairs			
Military Forces Emergency	8,162,378	9,698,800	1,536,422
	121,400		(121,400)

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1984-85 Biennium
Other Funds			
Federal Fund	7,011,600	8,376,700	1,365,100
Total Dept. of Military Affairs	15,295,378	18,075,500	2,780,122
Department of Public Safety			
Deficiency			
Motor Vehicle Contingent			
Traffic Safety Contingent			
Postage Contingent			
Nuclear Power Plant Emerg. Plan			
State Patrol Overtime			
Emergency Services	1,108,051	1,663,700	555,649
Criminal Apprehension	15,705,000	18,043,500	2,338,500
Fire Safety	2,022,800	2,958,800	936,000
Capitol Security	1,784,300	1,450,800	(333,500)
Driver & Vehicle Licensing	5,291,300	7,300,400	2,009,100
Liquor Licensing	845,900	1,012,200	166,300
Ancillary Services	1,225,100	1,449,800	224,700
Trunk Highway Trf.	269,762	768,400	498,638
Supplemental Approp		250,700	250,700
State Patrol		676,400	676,400
Bikeways Regulation		99,500	99,500
Other Funds			
Federal Fund	8,181,200	6,011,700	(2,169,500)
Total Dept. of Safety	36,433,413	41,685,900	5,252,487
Department of Public Service	5,873,975	6,872,100	998,125
Public Utilities Commission	2,060,438	2,242,900	182,462
Federal Funds	52,700		(52,700)
Total Public Utilities Comm.	2,113,138	2,242,900	129,762
Bureau of Mediation Services		2,191,500	2,191,500
Unit Determination & Mediation			
Other Funds			
Federal Fund	61,600	11,700	(49,900)
Total Mediation Services	\$ 61,600	\$ 2,203,200	\$ 2,141,600
Public Employee Relations Bd.		103,700	103,700
Minnesota Bd. of Police Off. Stand.	1,558,533		(1,558,533)
Regulation of Part Time Police Off.			
Peace Officers Train. Bd.		2,712,100	2,712,100
Total Bd. of Police Officer Stand.	\$ 1,558,533	\$ 2,712,100	\$ 1,153,567
Non-Health Related Bds.			
Abstractors boards	6,523	7,500	977
Watchmakers	10,665		(10,665)
Podiatry	11,074		(11,074)
Boxing	46,401	74,100	27,699
Optometry	81,453		(81,453)
Chiropractors	103,855		(103,855)
Veterinary Medicine	115,403		(115,403)
Barber	174,481	212,400	37,919
Nursing Home Adm	178,860		(178,860)
Psychologists	181,275		(181,275)
Accountancy		456,700	456,700
Arts	430,069		(430,069)
Arch & engineering	435,346	514,400	79,054
Dentistry	443,648		(443,648)
Pharmacy	531,105		(531,105)
Medical Examiners	655,947		(655,947)
Nursing	1,327,934		(1,327,934)
Gambling Control Bd		556,000	556,000
Total Non-Health Bds.	4,734,039	1,821,100	(2,912,939)

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
State Bd. of Accountancy	372,339		(372,339)
Livestock Sanitary Board			
County Attorneys Council	106,700		(106,700)
Crime Control Planning Bd.			
Crime Justice Contingent			
Crime Control Bd.-Contingent			
Automated Finger Print I.D.			
Other Funds			
Federal Fund	\$ 4,412,000	\$	\$ (4,412,000)
Total Crime Control Bd.	\$ 4,412,000	\$	\$ (4,412,000)
Bd. of Electricity	\$ 1,196,892	\$ 1,354,800	\$ 157,908
Total Protection to Persons and Prop.	\$ 130,059,241	\$ 152,359,500	\$ 22,300,259
Development & Conservation of Nat. Res.			
Department of Natural Resources			
Game & Fish Contingent			
Workers & Unemployment Comp.			
Public Hunting Grounds & Game Refuge Pay.			
Identification Acid Precipitation	\$ 74,559		\$ (74,559)
Motorboat Noise Polut. Enforc.			
Fuelwood Avail.			
Ditch Assessments	35,000		(35,000)
Big Marine Lake Study			
BWCA Forestry Intensif.			
St. Croix Wild River & Tetteq. Parks			
Complaint Response-Conserv.Officers			
Geological Test Drilling	50,000		(50,000)
Indian Tribe Agreement			
Administrative—Mgmt Services	5,660,536	\$ 8,577,400	2,916,864
Regional Administration	4,556,646	5,073,700	517,054
Field Service Support	5,665,412	7,288,700	1,623,288
Water Resources Mgmt.	5,242,040	6,616,700	1,374,660
Mineral Resources Management	3,680,161	9,580,500	5,900,339
Forest Mgmt.	25,548,039	31,654,600	6,106,561
Fish Management		64,300	64,300
Ecological Surveys-Services	597,454	691,500	94,046
Parks & Recreation Mgmt.	11,889,609	13,489,900	1,600,291
Soil & Water Conservation Bd.	4,939,900		(4,939,900)
Enforcement Nat.Res.Laws-Rules	4,149,397	4,527,100	377,703
Planning & Research	661,237	1,762,300	1,101,063
Trails & Waterways Mgmt.	3,491,160	1,527,900	(1,963,260)
Non Game Wildlife Fund	1,230,533	1,350,000	119,467
Wildlife Mgmt.	146,695	261,300	114,605
Youth Programs	633,073	939,900	306,827
Mn. Environ. Educ. Prgm.		452,700	452,700
Unemployment Comp.	1,684,000		(1,684,000)
Workers Comp.	175,000		(175,000)
Gas Storage Monitoring	45,578		(45,578)
Regional Water Data	66,462		(66,462)
Rainy River Navig	88,000		(88,000)
Wild & Scenic Rivers	115,026		(115,026)
Forest Soil Spec	130,765		(130,765)
River Planning	160,000		(160,000)
Natural Heritage Prg	174,006		(174,006)
Natural Resource Policy	276,000		(276,000)
Natural Resource Data	285,000		(285,000)
Land Resource Mgmt	475,044		(475,044)
Accelerate Private Forest Mgmt.	559,202		(559,202)
Outdoor Rec Act	700,000		(700,000)
Forest Resource Plan	705,752		(705,752)
Accel Phase II Inv.	730,700		(730,700)
Floodwater Retention	767,404		(767,404)
Water Access	999,572		(999,572)

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
St Pks Devel & Const	1,400,595		(1,400,595)
Shoreland Update	237,006		(237,006)
Fire Management Analysis	168,600		(168,600)
Cross Country Skiing		350,000	350,000
St. Louis Cty Forest		2,000,000	2,000,000
Supplemental Approp		320,900	320,900
Three Wheeler Safety		185,000	185,000
Special Revenue Apportionment	2,450,000	1,475,000	(975,000)
Game & Fish	52,232,837	65,928,621	13,695,784
Federal Fund	5,435,100	3,198,400	(2,236,700)
Consv. Cos. Areas	1,000,000	1,000,000	
Pulpwood Weight Study	1,000		(1,000)
Wildlife Aquisition	1,400,000	1,319,600	(80,400)
State Parks Endow.	4,801,000	6,001,000	1,200,000
Forest Management		7,215,700	7,215,700
Snowmobile		4,900,400	4,900,400
Total Devlp. and Cons. of Natl. Res.	\$ 155,515,100	\$ 187,753,121	\$ 32,238,021
Soil & Water Conservation Bd.			
Water Resources Bd.	\$ 178,827		\$ (178,827)
Zoological Bd.	\$ 9,321,889	\$ 11,711,900	\$ 2,390,011
Other Funds			
Federal Fund	30,000	73,100	43,100
Total Zoological Bd.	\$ 9,351,889	\$ 11,785,000	\$ 2,433,111
Natural Resources Acceleration			
Energy Agency		\$ 4,129,000	\$ 4,129,000
Department of Health		130,000	130,000
Minnesota Historical Society		150,000	150,000
Department of Natural Resources		8,801,200	8,801,200
Pollution Control Agency		461,000	461,000
Lake Classification	\$ 110,900		(110,900)
University of Minnesota		3,661,000	3,661,000
Hydro Power Tech	200,000		(200,000)
Cement Proj Equip	250,000		(250,000)
Environmental Tech	488,000		(488,000)
Aeromagnetic Survey	818,000		(818,000)
Geology S.E. Minn	60,000		(60,000)
Accel Soil Survey	1,778,000		(1,778,000)
Historical Society	59,200		(59,200)
State Planning Agency			
Hydro Redev Coord	28,000		(28,000)
Water Infor Systems	30,000		(30,000)
Wind Energy	44,000		(44,000)
Spec Peat Project	57,000		(57,000)
Outdoor Rec Act	74,000		(74,000)
Energy Impact Analysis	75,000		(75,000)
Cogeneration	77,000		(77,000)
Combustion Turbine	85,000		(85,000)
Soil & Topo Data	85,000		(85,000)
Land Use Change	130,000		(130,000)
Info & Data Change	136,000		(136,000)
Solar Performance	146,000		(146,000)
Computer Work Station	210,000		(210,000)
Public Land Record	249,000		(249,000)
Regional Rec St	2,111,239		(2,111,239)
Local Rec Grants	2,889,161		(2,889,161)
Science Museum of Minn		45,000	45,000
Department of Transportation			
Nat. Res. Federal Reimb. Act	125,000		(125,000)
Nat. Res. Fed. Reimb. Act		1,132,800	1,132,800
Total Natl. Res. Acceleration	\$ 10,315,500	\$ 18,510,000	\$ 8,194,500

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Pollution Control Agency			
Ident. Control Acid Rain			
Waste Mngt. Admin.			
Plan Assist. Grants (Waste)			
Metro Solid Waste Mgmt.	\$ 1,206,156		\$ (1,206,156)
Water Pollution	4,401,956	\$ 3,299,700	(1,102,256)
Air Pollution	1,098,533	1,692,400	593,867
Regional Support	990,295	1,210,000	219,705
General Support	3,308,048	2,426,500	(881,548)
Solid & Hazardous Waste		4,204,900	4,204,900
Acid Rain	81,070		(81,070)
Hazardous Waste		5,000,000	5,000,000
Radioactive Waste		75,000	75,000
Supplemental Approp		689,800	689,800
Hazardous Waste		140,000	140,000
Other Funds			
Federal Fund	10,562,400	11,575,400	1,013,000
Total Pollution Control	\$ 21,648,458	\$ 30,313,700	\$ 8,665,242
Miscellaneous			
The Great Lakes Commission			
Voyageurs Natl. Park Citizens Adv. Comm.	\$ 96,795	\$ 138,000	\$ 41,205
Southern Minn. River Basin Commission	82,508		(82,508)
Boundary Waters Canoe Area			
Water Planning Bd.	453,329		(453,329)
Waste Mgmt. Bd.	2,385,420	2,803,100	417,680
Water Planning Bd.			
Board of Animal Health	2,147,944	2,435,600	287,656
Water Resources Bd.		222,800	222,800
Hazardous Waste		1,100,000	1,100,000
Total Miscellaneous	\$ 5,165,996	\$ 6,699,500	\$ 1,533,504
Total Natural Resources	\$ 202,175,770	\$ 255,061,321	\$ 52,885,551
Agriculture			
Department of Agriculture			
Shade Tree Disease Program			
State Horticultural Society	\$ 130,322	\$ 135,800	\$ 5,478
Market Development & Promotion			
Grain Inspection Contingent			
Agricultural Protection Svs	7,918,131	6,912,500	(1,005,631)
Agricultural Promotion Svs	5,538,755	8,574,700	3,035,945
Administration-Financial Aids Svs	6,672,717	5,065,600	(1,607,117)
Soil & Water Conserv		6,123,600	6,123,600
Family Farm Guarantee		1,500,000	1,500,000
Milkhouse Loan Guarantee		330,800	330,800
Grain Buyers		95,000	95,000
International Trade		4,400,000	4,400,000
Supplemental Approp		528,000	528,000
Soil Conservation		10,000	10,000
Other Funds			
Special Revenue Apportionment	227,500	328,900	101,400
Federal Fund	1,403,800	1,418,900	15,100
Total Agriculture	\$ 21,891,225	\$ 35,423,800	\$ 13,532,575
Total-Other Executive Branch Functions	\$ 899,339,447	\$ 1,510,706,421	\$ 611,366,974
Legislative			
Legislature			
House	\$ 22,625,979	\$ 25,786,000	\$ 3,160,021
Senate	15,201,232	17,533,900	2,332,668
Legislative Coordinating Commission	191,967	422,700	230,733
Legislative Reference Library	754,769	1,179,000	424,231
Revisor of Statutes	4,276,003	5,066,000	789,997
Solid & Hazardous Waste		20,000	20,000
Economic Status of Women	165,129		(165,129)

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Reapportionment-Data Process			
Legislative Reference Library		94,100	94,100
Revisor-Unpublished Laws			
Legislative Commission on Energy		20,000	20,000
Reapportionment Commission			
Legislative Comm. on Pensions & Retire.	221,284		(221,284)
Legislative Comm. to Review Adm. Rules	151,376	192,200	40,824
Legislative Audit Commission	20,400		(20,400)
Legislative Auditor	3,802,145	5,157,000	1,354,855
Joint Commission on Science & Tech.	81,200		(81,200)
Tax Study Commission			
Workers Compensation Study Commission	147,000		(147,000)
Comp Inc LCC		6,300	6,300
Legislative Commission on Employee Rel.	170,284	172,600	2,316
Legislative Commission on Minnesota Res.	431,542	462,500	30,958
Retired Legislators Retirement Benefits		3,328,500	3,328,500
Legislative Retirement Contr.	2,464,630		(2,464,630)
Mississippi River Parkway Commission			
Legis. Study-Mpls. Government Structure			
Econ Status of Women, Adv. Council		186,500	186,500
Great Lakes Commission	64,200	63,400	(800)
Legislative Commission- Pension & Retire.		346,500	346,500
Epilepsy Study	21,500		(21,500)
Tax Study Commission	155,480		(155,480)
Study Commission-Waste Mangement	165,922	219,600	53,678
Revolving Funds Loan		5,014,000	5,014,000
Leg Audit Metro Agencies		95,700	95,700
Legislative Comm on Educ		150,000	150,000
Legislative Comm on Hwy Study		7,000	7,000
Interstate Coop Commission		118,000	118,000
Miscellaneous		1,843,400	1,843,400
Other Funds			
Federal Funds		22,200	22,200
Total Legislative	\$ 51,112,042	\$ 67,507,100	\$ 16,395,058
Judicial			
District & County Courts	\$ 23,104,919	\$ 24,564,100	\$ 1,459,181
District Court Adm	986,888		(986,888)
Judicial District Administrator		1,087,700	1,087,700
Public Defender	1,589,033	1,459,100	(129,933)
Legal Assict. Mn Prisoners		285,500	285,500
Legal Advocacy		190,200	190,200
Transcripts		80,000	80,000
Board of Public Defense	686,500	698,000	11,500
Bd of Pub. Det. Suppl. Approp		144,500	144,500
Supreme Court	4,608,783	4,847,900	239,117
Supreme Court Contingent			
State Court Administrator	3,172,093	4,133,500	961,407
Judicial Council			
Bd. of Judicial Standards	228,021	223,800	(4,221)
Minn. State Law Library	867,420	1,027,600	160,180
Tax Court of Appeals	576,642	627,000	50,358
Retirement Benefits-Judges & Survivors	4,759,200	3,895,500	(863,700)
Supplemental Approp		90,500	90,500
Court of Appeals		3,089,200	3,089,200
Atty Fees(Jud Stand)		111,100	111,100
Other Funds			
Special Revenue Appt.		2,406,204	2,406,204
Federal Funds			
Total Judicial	\$ 40,579,499	\$ 48,961,404	\$ 8,381,905
Miscellaneous			
Claims Against the State	\$ 182,367	\$ 900,000	\$ 717,633
Fuel & Utility Contingent	2,465,000		(2,465,000)

	FY 82-83 1981 1982 Legislature	FY 84-85 1983 1984 Legislature	Increase or (Decrease) 1981-83 to 1983-85 Biennium
Grain Inspect. Contingent			
General Fund Contingent	6,470,000	9,000,000	2,530,000
R.A. Weber Compensation	2,400	2,400	
Dept. Heads, Judges & Legislators		1,019,600	1,019,600
Economic Package for State Employees	151,496,539	53,416,200	(98,080,339)
Annualize 1/81 Cola	27,744,000		(27,744,000)
Annualize 9/80 Insurance Increase	5,008,000		(5,008,000)
Pay Equity		14,703,800	14,703,800
Interim Claims			
Campaign Fund Checkoff		1,720,000	1,720,000
Executive Council Emergency	1,464,100		(1,464,100)
Retirement			
MSRS			
Suppl. Benefits		87,000	87,000
PERA	40,000	63,000	23,000
Constitutional Officers	222,390	203,800	(18,590)
Pre 1973 Retirement	11,300,000	10,650,900	(649,100)
Pension Repay on Retire		7,760,000	7,760,000
Pension Equity Act		(1,826,700)	(1,826,700)
Dept. of Education	695,068		(695,068)
Mn Educa. Computing Consortium	52,900		(52,900)
State University Bd.	10,060,000		(10,060,000)
Community Colleges Bd.	5,497,200		(5,497,200)
Dept. of Corrections	199,100		(199,100)
Dept. of Public Welfare	334,600		(334,600)
Dept. of Economic Security	23,200		(23,200)
Pre 1973 Retire. Adj.	115,000		(115,000)
Pension Fund Reimbursement		1,320,000	1,320,000
Apportionments			
N.E. Minn. Economic Protection Fund	11,625,900	4,965,300	(6,660,600)
Taconite Environmental Prot. Fund	29,956,900	18,893,200	(11,063,700)
Iron Range Resources & Rehab. Board OF	8,743,004	7,328,800	(1,414,204)
Labor & Industry Records Computerization	450,000		(450,000)
Small Business Conference Admin. Hearings- Work. Comp.		3,014,100	3,014,100
Work. Comp. Court of Appeals		765,000	765,000
Total Miscellaneous	<u>\$ 274,147,718</u>	<u>\$ 133,986,400</u>	<u>\$ (140,161,318)</u>
GRAND TOTAL	<u>\$11,396,087,803</u>	<u>\$14,212,332,825</u>	<u>\$ 2,816,245,022</u>

APPENDIX A

Rates of Principal Taxes

INCOME TAXES

Individual Income Tax

Graduated schedule of rates is applied to taxable income. Federal income tax and itemized or standard deductions are subtracted in arriving at taxable income.

The tax brackets, maximum standard deduction and personal credits are indexed for inflation to the lesser of the Minneapolis-St. Paul CPI or the estimated growth in Minnesota gross income. For the 1983 tax year, the increase in the brackets was 0.8 percent and the brackets were as follows:

Taxable Income	Rate
\$ 1 - 672	1.6
673 - 1,344	2.2
1,345 - 2,687	3.5
2,688 - 4,030	5.8
4,031 - 5,373	7.3
5,374 - 6,716	8.8
6,717 - 9,401	10.2
9,402 - 12,086	11.5
12,087 - 16,785	12.8
26,786 - 26,855	14.0
26,856 - 36,925	15.0
36,926 and over	16.0

Credits against the tax:

Personal credits - For tax year 1983 \$68 each for taxpayer, spouse and each dependent. Additional \$68 for age 65 or over, blind, deaf or quadriplegic.

Low income credit - There is no income tax for families with household incomes below the following levels.

Family Size	Income
1	\$5,800
2	7,400
3	8,800
4	10,000
5	10,500
6 or more	11,000

For families with incomes above the exclusion level, the alternative tax is 15 percent of household income exceeding the exclusion level. A credit is allowed for the difference between the alternative tax and the regular income tax.

Corporation Income Tax

Applied to taxable income apportioned to Minnesota. Federal income tax is not deductible. The first \$25,000 of taxable income is taxed at 6%. The \$25,000 bracket is reduced for companies doing business partly within and partly outside Minnesota.

Bank Excise Tax 12%
(Same as corporation income tax.)

ESTATE

Estate Tax - For 1983, the first \$275,000 is exempt. There is an unlimited exemption for a spouse.

Taxable Estate	Rate
First \$ 25,000	7%
Next \$100,000	8
Next \$100,000	9
Next \$200,000	10
Next \$500,000	11
Excess over \$1,000,000	12

SALES AND EXCISE TAXES

General Sales and Use Tax 6%
Exemptions include food, clothing, medicines, gasoline, motor vehicles.

Agricultural machinery, logging equipment except chain saws, and new capital equipment and special dies 4%

Liquor, On and Off Sales - Additional 2.5%

Motor Vehicle Excise Tax 6%

Gasoline Tax - per gallon 17c

Alcoholic Beverages

Distilled spirits - per gallon \$4.39

Wine - per gallon -

varies with alcoholic content 27c to \$3.08

Beer - per 31-gallon barrel

3.2% alcohol or less \$2.00

Strong beer \$4.00

Breweries that produce and sell beer in Minnesota are given a credit of \$2 per barrel on the first 75,000 barrels each year.

Cigarette Tax - per pack 18c

Tobacco Products - on wholesale price - 20% excludes cigarettes

GROSS EARNINGS TAXES

Telephone Companies

Service to rural subscribers 4%

Exchange business in cities with population of 10,000 or less 4%

All other business 7%

Companies with gross earnings of \$1,000 or less - per connected telephone 30c

Telegraph Companies 6%

Sleeping Car Companies 6%

Express Companies 5%

Taconite Railroads 5%

Freight Line Companies 7%

Insurance Companies Gross Premiums Tax 2%

SEVERANCE TAXES

Iron Ore Occupation Tax 15%

Iron Ore Royalty Tax 15%

Taconite Occupation Tax 15%

Taconite Royalty Tax 15%

A credit is allowed for the labor costs of production which can reduce the effective iron ore and taconite occupation and royalty tax rates to 6.75 percent.

Taconite and Iron Sulphides Production Tax

Per ton of concentrates; indexed to the implicit price deflator for 1987 and subsequent years. For 1984, 1985 and 1986 ... \$2.04

Additional tax on iron content in excess of 62%: for each additional 1% of dry iron content, 0.8% of base tax for 1984 produc-

tion only. The additional tax is eliminated for 1985 production and thereafter. (Based on current year production for 1984; average of current year production and the previous year's production for 1985; current year and two previous years' production for 1986 and thereafter.)

Tailings Tax	
per ton of tailings not deposited on land with permits	10c
Copper-Nickel Occupation Tax	1%
Copper-Nickel Royalty Tax	1%
Copper-Nickel Production Tax	
—per gross ton of concentrate	2.5c
—plus, for each 0.1% by which mineral content exceeds 1%	.025c

MISCELLANEOUS TAXES

Mortgage Registry Tax - per \$100 of principal debt secured by mortgage of real property	15c
Deed Transfer Tax - applied to value of real estate transferred	
\$1,000 or less	\$2.20
Each additional \$500	\$1.10

APPENDIX B

Selected Appropriations for Welfare and Correction Activities 1974-85 Deficiency Appropriations included in pertinent years

Fiscal Year	Welfare Categorical Aids*	Major Welfare Hospitals	Other Welfare Institutions	Corrections Institutions	Financial Assistance for Veterans
1974	\$ 86,400,000	\$ 54,223,100	\$10,330,050	\$ 15,360,400	\$ 910,000
1975	101,278,000	54,577,450	10,514,650	15,830,067	960,000
1976	109,400,000	67,503,800	10,685,400	19,463,200	1,010,000
1977	119,900,000	67,801,000	10,588,000	19,916,400	1,010,000
1978	214,233,076	96,208,374	10,316,835 ^o	30,565,099	1,124,802
1979	225,392,098	96,290,682	10,398,577	29,712,247	1,142,921
1980	273,005,100	104,235,500	11,278,600	31,246,700	1,126,900
1981	305,065,400	102,315,200	11,080,200	31,296,700	1,126,900
1982	408,362,000	116,615,200	12,220,300	41,757,900	1,192,100
1983	464,116,000	121,936,200	13,639,600	38,833,300	1,293,400
1984	532,379,000	145,328,700	16,143,500	53,942,900	1,038,100
1985	585,693,000	143,600,000	15,714,900	55,573,500	1,038,100

* Welfare categorical aids are: Medical Assistance, Aid to Families with Dependent Children and Minnesota Supplemental Assistance.
^o Control and funding of Braille and Sight Saving School and Deaf School transferred to Dept. of Education Effective July 1, 1977.

APPENDIX C

General Obligation Debt 1979-1984

	Authorization* Year-Chapter	Amount Outstanding June 30, 1979	Amount Outstanding June 30, 1980	Amount Outstanding June 30, 1981
Payable From General Fund				
State Buildings Capital Improvements	'63- 1	\$ 5,873,000	\$ 4,405,000	\$ 2,937,000
	'63- 667	10,640,000	8,500,000	6,360,000
	'63- 839	7,140,000	5,350,000	3,560,000
	'65- 532			
	'65- 882	17,220,000	14,330,000	11,440,000
	x'67- 8	34,774,000	31,306,000	27,837,000
	'69-1159	85,426,000	78,089,000	70,753,000
	'71- 963	76,704,000	71,336,000	65,969,000
	'73- 778	39,791,000	37,462,000	35,134,000
	'74- 541	3,276,000	3,071,000	2,867,000
	'75- 436	15,194,000	14,347,000	13,500,000
	'76- 348	48,664,000	45,971,000	43,278,000
	'77- 421		7,500,000	7,125,000
	'77- 451	34,316,000	32,573,000	30,829,000
	'78- 792	33,205,000	64,845,000	93,590,000
Vocational-Technical	'75- 436	13,350,000	12,575,000	11,800,000
School Loans	'63- 601	8,970,000		
	'65- 875	6,600,000		
	'67- 583	2,800,000		
	'69-1056	17,100,000		
	'79- 300			2,500,000
	'79- 301		40,000,000	46,065,000
	'79- 338			27,565,000
	'80- 545			
	'81- 4			
	'81- 304			
	'81- 334			
	'81- 361			
	'81- 362			
	'82- 639			
State Universities	'69-1152	10,310,000	10,050,000	9,780,000
	'73- 759	6,825,000	6,625,000	6,425,000
Pollution Control	x'71- 20	25,788,000	24,050,000	22,313,000
	'73- 771	17,963,000	16,950,000	15,938,000
	'75- 354	15,000,000	28,250,000	26,800,000
	'77- 418		1,000,000	950,000
	'79- 285			
Voyageurs National Park	'71- 852	2,270,000	1,670,000	1,070,000
Zoological Gardens	'73- 207	24,560,000	23,250,000	21,925,000
Vietnam Veterans' Bonus	'73- 204	45,000,000	42,000,000	39,000,000
Natural Resources	'75- 415	18,000,000	17,000,000	16,000,000
Transportation	'76- 339	22,500,000	21,250,000	20,000,000
	'77- 277	48,100,000	45,600,000	43,100,000
	'79- 280		13,000,000	25,350,000
	'81- 361			
Parks & Recreation	'77- 421	51,300,000	48,600,000	45,900,000
Waste Management	'80- 564			2,800,000
Total General Fund		<u>\$748,659,000</u>	<u>\$770,955,000</u>	<u>\$800,460,000</u>
Payable From Dedicated Receipts				
Employment Security Bldg.	'65- 532	\$ 1,250,000	\$ 1,075,000	\$ 900,000
	x'67- 8	180,000	160,000	140,000
Minnesota Aeronautics	'63- 791	1,760,000	1,340,000	910,000
Total Dedicated Receipts		<u>\$ 3,190,000</u>	<u>\$ 2,575,000</u>	<u>\$ 1,950,000</u>
Payable From Motor Vehicle Tax				
City of St. Paul	'59- 538	\$ 2,340,000	\$ 1,830,000	\$ 1,310,000
Trunk Highway	'67- 873	52,500,000	44,300,000	39,100,000
	'77- 277	20,450,000	27,900,000	26,350,000
Total Motor Vehicle Tax		<u>\$ 84,290,000</u>	<u>\$ 74,030,000</u>	<u>\$ 66,760,000</u>
Grand Totals		<u>\$836,139,000</u>	<u>\$847,560,000</u>	<u>\$869,170,000</u>

*x means Special Session

	Authorization* Year-Chapter	Amount Outstanding June 30, 1982	Amount Outstanding June 30, 1983	Amount Outstanding June 30, 1984
Payable From General Fund				
State Buildings, Capital Improvements	'63- 1	\$ 1,469,000		
	'63- 667	4,220,000	2,080,000	2,080,000
	'63- 839	1,770,000		
	'65- 532	0	540,000	
	'65- 882	8,550,000	5,660,000	2,890,000
	x'67- 8	24,368,000	21,000,000	3,469,000
	'69-1159	63,417,000	56,080,000	7,336,000
	'71- 963	60,601,000	55,233,000	5,368,000
	'73- 778	32,805,000	30,476,000	2,329,000
	'74- 541	2,662,000	2,457,000	205,000
	'75- 436	12,653,000	11,806,000	847,000
	'76- 348	40,584,000	37,891,000	2,693,000
	'77- 421	6,750,000	6,375,000	375,000
	'77- 451	29,086,000	27,343,000	1,743,000
	'78- 792	96,986,000	91,641,000	5,345,000
Vocational-Technical	'75- 436	11,025,000	10,250,000	775,000
School Loans	'63- 601		1,750,000	
	'65- 875		2,800,000	
	'67- 583		1,820,000	
	'69-1056		14,223,000	
	'79- 300	2,695,000	2,744,000	151,000
	'79- 301	43,662,000	41,259,000	2,403,000
	'79- 338	52,172,000	56,394,000	3,023,000
	'80- 545		13,088,000	
	'81- 4	21,746,000	26,609,000	1,385,000
	'81- 304	11,410,000	15,090,000	783,000
	'81- 334	640,000	1,033,000	53,000
	'81- 361	5,630,000	6,994,000	364,000
	'81- 362	2,174,000	3,715,000	191,000
	'82- 639	670,000	3,727,000	188,000
State Universities	'69-1152	9,490,000	9,185,000	
	'73- 759	6,225,000	6,025,000	
Pollution Control	x'71- 20	20,575,000	18,838,000	1,738,000
	'73- 771	14,925,000	13,913,000	1,013,000
	'75- 354	25,350,000	23,900,000	1,450,000
	'77- 418	900,000	850,000	50,000
	'79- 285	17,900,000	30,205,000	1,555,000
Voyageurs National Park	'71- 852	470,000		
Zoological Gardens	'73- 207	20,575,000	19,200,000	1,425,000
Vietnam Veterans' Bonus	'73- 204	36,000,000	33,000,000	3,000,000
Natural Resources	'75- 415	15,000,000	14,000,000	1,000,000
Transportation	'76- 339	18,750,000	17,500,000	1,250,000
	'77- 277	40,600,000	38,100,000	2,500,000
	'79- 280	24,050,000	28,750,000	1,600,000
	'81- 361	22,400,000	37,980,000	1,955,000
Parks & Recreation	'77- 421	43,200,000	40,500,000	2,700,000
Waste Management	'80- 564	2,660,000	2,520,000	140,000
Total General Fund		<u>\$856,815,000</u>	<u>\$884,544,000</u>	<u>\$ 65,372,000</u>
Payable From Dedicated Receipts				
Employment Security Bldg.	'65- 532	\$ 720,000		
	x'67- 8	120,000		
Minnesota Aeronautics	'63- 791	460,000		
Total Dedicated Receipts		<u>\$ 1,300,000</u>		
Payable From Motor Vehicle Tax				
City of St. Paul	'59- 538	\$ 860,000	\$ 620,000	\$ 260,000
Trunk Highway	'67- 873	33,900,000	28,600,000	5,400,000
	'77- 277	24,800,000	23,250,000	1,550,000
Total Motor Vehicle Tax		<u>\$ 59,560,000</u>	<u>\$ 52,470,000</u>	<u>\$ 7,210,000</u>
Grand Totals		<u>\$917,675,000</u>	<u>\$937,014,000</u>	<u>\$ 72,582,000</u>

*x means Special Session

APPENDIX D

Glossary

Aid to Families with Dependent Children (AFDC)—Aid provided through counties to the qualifying families described in the title. Eligibility involves low or no income and lack of assets. The Federal government pays about 52 percent of this cost; the State pays 85 percent of the non-federal share. Through the property tax levy the counties pay 15 percent of the non-federal share.

Area Vocational-Technical Institute (AVTI)—School established by a local board of education to provide post-secondary vocational training. Currently there are 33 such schools throughout Minnesota.

Assessed Value—Under Minnesota law, estimated market value is reduced for property tax purposes under a classification system to arrive at assessed value. The amount of reduction depends upon the class of property. The gross property tax is calculated by applying the mill rate to the assessed value.

Biennium—Two consecutive fiscal years beginning July 1 in an odd-numbered year. The biennium is described by the odd-numbered year in which it begins and the odd-numbered year in which it ends, such as the 1981-83 biennium for the biennium that began July 1, 1981 and ended June 30, 1983.

Categorical Aids—School aids for specific purposes such as transportation or education of handicapped students.

Developmental Achievement Center (DAC)—Provides daytime educational, recreational, and social activities for mentally retarded and cerebral palsied persons. There are 105 DAC's throughout Minnesota operated by either non-profit corporations or local government agencies.

E.A.R.C. Ratio—The percentage the assessor's market value is of the market value determined by the Equalization Aid Review Committee through a sales ratio study. The E.A.R.C. ratio is also referred to as the sales ratio.

E.A.R.C. Values—The actual market value of a taxing district's property as determined by the Equalization Aid Review Committee. The determination is made by comparing values of actual sales of property to the market value at which these properties were assessed.

Estimated Market Value—The assessor's estimate of the market value or selling price, intended to represent the worth of the property in a transaction between a willing buyer and a willing seller.

Fiscal Year—that period of time beginning July 1 continuing 365 (6) days until the following June 30. Used by the State for budgeting purposes. The fiscal year is described as the year in which it ends, such as the 1981 fiscal year ending June 30, 1981.

Foundation Aid—The largest category of state aid to school districts. Unlike categorical aids, foundation aid may be used for any current expenses of a district. Each district's foundation aid is determined by a complex set of formulas, based on pupil units, E.A.R.C. value, and other factors. Beginning in FY 85, foundation aid consists of "basic" foundation aid plus five additional levels, or "tiers," of aid.

Basic foundation aid guarantees that each district will receive a specified amount of revenue per pupil unit (\$1,585 for the 1985-86 school year) in return for a required local property tax levy (23.5 EARC mills for property taxes payable in 1985). State aid makes up the difference between the guaranteed revenue and the proceeds of the local levy. The five tiers provide districts with varying amounts of revenue, through a combination of state aids and local property taxes. The amounts of revenue, aid, and local taxes depend on the district's property valuation, the number of students, past spending levels, the level of training and experi-

ence of the district's teachers, and other factors.

General Assistance (GA)—Maintenance cash payments to eligible poor persons who do not qualify for AFDC or SSI. This program is financed 75 percent from State funds. The counties finance the remaining portion.

General Assistance—Medical Care (GAMC)—Payments made to medical vendors on behalf of medically indigent persons who do not qualify for Federally-assisted aid as AFDC, SSI or Medical Assistance only recipients. The State finances 90 percent of this program and the counties 10 percent.

Homestead—One of the property classifications. Homesteads are residences occupied by the owner. Property owners may have no more than one homestead.

Homestead Credit—State-paid reduction in the property tax bill of a homeowner. For taxes payable in 1984, the credit is 54 percent of the tax on the first \$67,000 of estimated market value, up to a maximum credit of \$650.

Indexing—Automatic increase based on the increase in another factor. Indexing the individual income tax is designed to offset the impact of inflation. Three components of the individual income tax are indexed - size of the brackets, personal credits, and maximum standard deduction - to the increase in the Minneapolis-St. Paul Consumer Price Index or the estimated growth in Minnesota gross income, whichever is less.

Levy Limits—The amount local governments are permitted to levy against their property tax base for certain services.

Local Government Aids—The funds distributed by a formula from the State general fund to cities, townships and counties (except Hennepin, Ramsey and St. Louis).

Low Income Credit—A credit granted to low income individuals to fully offset or reduce their income tax liability. The credit is determined by income and family size according to a schedule set by law.

Mill—One dollar in each thousand used to determine taxation on Minnesota property. This means that each mill levied by local government results in the taxpayer paying one dollar in taxes for each \$1,000 assessed value.

Medical Assistance (MA)—Payments made to medical vendors (nursing home operators, physicians, dentists, druggists, etc.) on behalf of welfare recipients and others who are eligible because of a lack of resources to pay for medical care as determined by statutory schedule and rules and regulations. The Federal government finances about 50 percent of this; the State finances 90 percent of the non-federal share and the county 10 percent. Categories covered include needy families with children, needy senior citizens, and needy handicapped or blind persons.

Minnesota Supplemental Aid (MSA)—Supplemental aids paid to certain SSI recipients because their Federal SSI benefits are lower than the State paid to these recipients before the program was taken over by the Federal government. The State finances 85 percent and the county 15 percent.

Occupation Tax—Paid in lieu of income taxes by all companies mining or producing iron ore and taconite. Based on value of tonnage produced.

Property Tax Refund—A yearly refund up to \$1,125 given to homeowners and renters based on their incomes and the amount of property taxes or rent they paid.

Property Tax Targeting Refund—For 1984, an additional refund of 100 percent of any property tax increase which is more than 20 percent over the previous year's tax after all credits and refunds. For 1985 it is 50 percent of net tax increases over 12.5 percent to a maximum of \$400.

Pupil Units—A count of public school students used in calculating each school district's foundation aid. Pupil units included weighted A.D.M. (defined below) plus additional units for students whose families receive A.F.D.C.

Replacement Levy and Aid—Beginning in 1980-81 the district entitlement for declining enrollment, fast growth and sparsity aid will be changed from a state aid to a fixed dollar amount per pupil to be levied on the property tax and equalized with state aid at the same rate as the foundation aid. This levy will be permitted to increase in future years at the same rate as the foundation formula increases.

School Agricultural Credit—Under Minnesota law the State pays a portion of the school tax bill for agricultural and seasonal recreational residential property. Beginning with taxes payable

in 1985, the State pays 33 percent of the gross tax on the first 320 acres of agricultural homestead property. The State pays 15 percent of the tax on the next 320 acres of homestead property on the first 320 acres of non-homestead property and on seasonal recreational residential property. The State pays 10 percent of the tax on homestead property over 640 acres and non-homestead over 320 acres. The credit is limited to \$4,000 on farm property and \$100 on seasonal recreational property.

Special Levies—Levies not covered by the levy limitation law, principally, welfare income maintenance and bonded debt levies.

Supplemental Security Income (SSI)—Payments made directly from the Federal government to eligible low-income people who are aged, blind or disabled.

Weighted A.D.M.—The average daily membership of a school district (i.e., the average number of students enrolled during the year), weighted by grade level. Each kindergarten student counts as 0.5 weighted A.D.M., each student in grades 1-6 as 1.0 weighted A.D.M., and each student in grades 7-12 as 1.4 weighted A.D.M.

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