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FISCAL REVIEW

Minnesota State Senate

1992 Session



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Fiscal Review
of the
1992 Legislative Session

Minnesota Senate
Office of Senate Counsel & Research

Edited by William Riemerman
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Introduction

This review is a report of actions taken by the 1992 session of the Minnesota Legislature. It supplements budget actions taken during the 1991 session by including legislative and estimate changes. The first such report was issued in 1975.

This is not an accounting of all legislative actions, but covers those with fiscal impact.

The tables in the Fiscal Review are all-inclusive and can be reconciled with fund statements prepared by the Department of Finance.

The report is on appropriations -- not actual spending. Spending is affected by many factors including accounting practices, program participation, etc. Appropriations are basically authorizations for expenditures.

Some of these appropriations are open-ended and determined by formula or participation rates. These are called open and standing. The Review uses the estimates of open and

standing made through the Department of Finance at the time the budget was enacted.

Direct appropriations essentially are the limits of spending set by the Legislature.

This report handles open and standing appropriations as direct appropriations when the appropriation amount is specified in the session law when passed. (For example, education aids are based on open and standing authority to comply with the funding formulas, but the Legislature actually uses the estimate of this cost in the session law.)

This report is organized by functional groupings of appropriations which are most comprehensive on Table C of the statistical section.

There are also tables on appropriations by fund (Table A); a table by fund and law [Chapter] (Table D); a General Fund statement (Table B); and a list of open and standing appropriations (Table E).

Highlights

The 1992 session dealt with the projection of a \$569 million General Fund deficit that developed between the close of the 1991 session in May and the revenue and spending estimate in February 1992.

Four hundred million dollars of this projected deficit was covered in the Budget Reserve Account.

The deficit was eliminated by actions of the 1992 Legislature. The adopted budget includes a \$240 million Budget Reserve Account. The balancing was achieved by a combination of appropriation cuts, a reduction of the Budget Reserve Account, a major payment shift in education aids, and use of non-General Fund resources.

Two significant highlights of the 1992 session were enactment of a new Health Care Access Plan and a major workers' compensation reform measure.

The 1992 session also passed a \$268 million plus capital expenditure bill, a five cent increase in the cigarette tax to help fund the new Health Care Access Program, and a crime bill with emphasis on dealing with violence and sexual harassment.

Health Care Access

This program includes a state-subsidized health plan for low-income persons; easier access and availability of health insurance for small employers; some cost containment strategies; and some programs designed to provide better health coverage in rural Minnesota.

The program was funded with a five cent

increase in the cigarette tax and some medical services provider taxes. Eligibility for subsidized health care will be available to those with incomes below 275 percent of the federal poverty guidelines. Premiums will be based on family income.

The small employer access strategies deal with exempting insurers from some mandates when selling policies to small employers and limitations on some rate variations.

Workers' Compensation

This bill changed existing workers' compensation law significantly. It changed the benefit structure; created a managed care option for delivering medical services to injured workers; provided new tools for improving work place safety and preventing and discovering fraud; and streamlined some of the dispute resolution system and procedures.

The bill mandates a 16 percent reduction of insurance rates for policies in effect October 1, 1992. Existing policies must reduce the rate by that amount for coverage after October 1. New rates cannot be set before April 1, 1993.

Anti-Violence

The 1992 Anti-Violence Act is an attempt to deal with violence abatement by strengthening enforcement, increasing penalties, and increasing resources for violence prevention education and victims' services.

The package included about \$6 million in new revenues from fines paid by violators of criminal statutes and ordinances.

Capital Expenditures

The actual spending authority in the bonding bill is \$275 million, but the Governor vetoed about \$6.5 million in line item allocation of funds, for a net potential spending of about \$269 million.

The bonding authority is about \$232 million, while nearly \$44 million of the capital expenditures were in direct non-bonded appropriations.

More than \$102 million of the bonding authority was for the four higher education systems; about \$22 million went for Regional Treatment Centers; about \$11 million for corrections and about \$11.7 million for natural resources projects. More than \$22 million was allocated for projects in the Capitol complex.

About \$40 million of the direct appropriations went for Transportation Department projects and about \$12 million of the direct appropriations went for maximum effort school loans.

Revenues

State Taxes

Income Taxes

New rules were adopted governing payment of estimated taxes by individuals, corporations, partnerships, and trusts. Individuals with adjusted gross incomes over \$75,000 and at least a \$40,000 increase in income over the previous year will have to pay a penalty if they have not paid at least 90 percent of their current year's tax liability in estimated taxes. Under prior law, individuals were considered to have met the estimated tax payment requirement if they paid at least 100 percent of the previous year's liability in estimated taxes. This change in the estimated tax rules is expected to raise \$15 million in the 1991-93 biennium.

For corporations, the new rules increase the required estimated tax payment from 90 percent of current year tax liability to 93 percent in tax year 1992 and to 95 percent for tax year 1993 and later years. Partnerships and trusts with tax liabilities greater than \$500 are required to make estimated tax payments beginning in 1992. These changes are estimated to raise \$4.8 million in the 1991-93 biennium.

The 1992 Legislature also updated the Minnesota income tax laws to conform to federal law changes made through December 31, 1991. The federal changes were primarily extensions of expiring provisions, including the 25 percent health insurance deduction for self-employed individuals, private purpose bonds, the low-income housing credit and research and development credit. The federal update conformity is estimated to raise \$1.6 million in the 1991-93 biennium.

Under the MinnesotaCare legislation enacted

in 1992, self-employed individuals will be allowed to deduct the entire amount paid for health insurance on their state income tax returns beginning in tax year 1993. This provision is estimated to cost \$3.2 million in fiscal year 1993.

Sales and Excise Taxes

Purchases by local governments including counties, cities, townships, and special taxing districts were made subject to the sales tax. School districts and hospitals and nursing homes owned and operated by local governments remain exempt from the sales tax. Also exempt are purchases of books, periodicals, and library equipment by public libraries and medical equipment purchased for publicly operated ambulances. The sales tax on local government purchases is estimated to raise \$46.5 million for the General Fund and \$20.7 million for the Local Government Trust Fund in the 1991-93 biennium.

The 1992 legislative session substantially modified the 1991 provision which subjected isolated and occasional sales of business equipment to the sales tax. The 1992 law change exempted sales of farm equipment, sales of business equipment at farm auctions, sales of substantially all of the assets of a trade or business, and sales in which the total of gross receipts from all sales of business equipment made in a twelve-month period is less than \$1,000. The cost of the sales tax exemptions provided for isolated and occasional sales of business equipment is estimated to be \$4.4 million to the General Fund and \$1.8 million to the Local Government Trust Fund in the 1991-93 biennium.

An excise tax of fifty cents per call was imposed on 900 service telephone calls. The telephone gross earnings tax on 900 service calls was repealed. The fifty cent excise tax is estimated to raise \$1 million for the General Fund and \$400,000 for the Local Government Trust Fund in the 1991-93 biennium.

Local option sales and excise taxes were approved for several Minnesota communities. The cities of Rochester and Thief River Falls were authorized to levy a general sales tax of one-half percent and a motor vehicle excise tax of \$20 per vehicle sold. Proceeds of the Rochester tax must be used to fund capital improvements of the city hall, fire hall, and public library. Proceeds of the Thief River Falls tax must be used to fund tourism convention facilities. The city of Ely was authorized to levy a one percent sales tax and \$20 per vehicle excise tax for the Ely Wilderness Gateway project. The city of Brooklyn Center was authorized to levy a one percent liquor and restaurant tax to be used to fund housing projects. The city of Roseville was authorized to levy a two percent lodging tax to pay for a speed skating/bandy ice rink. All of the local option taxes except those authorized for Rochester must be approved by local voters in a referendum to be held before December 1, 1992.

The cigarette tax was increased by five cents, from 43 to 48 cents per pack, effective July 1, 1992. Revenues from this cigarette tax increase will be deposited in the Health Care Access Fund until January 1, 1994. After January 1, 1994, these cigarette tax revenues will be deposited in the General Fund. For fiscal year 1993, the cigarette tax increase is expected to raise \$16.9 million.

The Health Care Access legislation enacted new taxes on hospitals and health care providers. Beginning January 1, 1993, hospitals will be required to pay a two percent tax on gross patient revenues. Revenues from this tax will be deposited in the Health Care Access Fund. The hospital tax is estimated to raise \$14.5 million in fiscal year 1993. Beginning January 1, 1994, health care providers will be required to pay a two percent tax on gross revenues. Prescription drugs will be taxed at two percent at the wholesale level. The health care provider tax is estimated to raise \$4.3 million in fiscal year 1994 for the Health Care Access Fund. Beginning January 1, 1996, a one percent gross premiums tax will be levied on HMOs and nonprofit health insurers such as Blue Cross/Blue Shield. This tax is estimated to raise \$32.3 million in fiscal year 1997 for the Health Care Access Fund.

Local Property Tax and State Aids

Property Tax Aids and Credits

The funding source for a number of tax aid and credit programs was exchanged between the General Fund and the Local Government Trust Fund. The most significant program funding changes for the 1991-93 biennium involved the transfer of the Community Social Services Aid (CSSA) from the General Fund to the Local Government Trust Fund and the transfer to the General Fund of the 25 percent of Human Services Aid formerly paid by the Trust Fund. The CSSA transfer saved the General Fund \$51.6 million and the Human Services Aid transfer cost the General Fund \$30.7 million for a net General Fund savings of \$20.9 million in the 1991-93 biennium.

A number of other program funding shifts between the Trust Fund and the General Fund were made for the 1993-95 biennium. The most significant of these were the transfers of the Homeowner Property Tax Refund from the General Fund to the Trust Fund and the elimination of the requirement that the Trust Fund pay interest to the General Fund on amounts borrowed by the Trust Fund on a short-term basis. The combination of funding shifts enacted for the 1993-95 biennium resulted in a General Fund savings of approximately \$97 million.

New appropriations from the General Fund

were made for \$2.5 million for the local cost of the 1992 Presidential Primary election and approximately \$1 million for the state to assume the remaining local share of AFDC Emergency Assistance, Emergency General Assistance and General Assistance, and Minnesota Supplemental Aid payments for room and board costs in group living arrangements in fiscal year 1993.

The property tax class rate for land used as a mobile home park was reduced from 2.3 percent on the value exceeding \$72,000 to two percent for 1993 only.

The rules governing the targeting refund were changed for taxes payable in 1993 and thereafter. The percentage of tax increase needed to qualify for the targeting refund was increased from 10 percent to 12 percent. A new maximum targeting refund of \$1,500 was enacted. The 90 percent refund rate was eliminated so that the maximum percentage refund is now 75 percent. The appropriation cap for taxes payable in 1993 was eliminated. The elimination of the payable 1993 appropriation cap is estimated to cost \$10 million in fiscal year 1994. The appropriation limit for targeting for taxes payable in 1994 was set at \$5.5 million.

All State Aids

The 1992 Legislature made relatively few substantive changes in aids delivered to local units of governments. The changes involved estimate changes, some changes in allocation of aids between the general fund and the local government trust fund and a major accounting

adjustment that decreased school aids paid out in fiscal year 1993. The accounting change involved recognizing 50 percent of the school property tax levy in 1993 instead of 37 percent. This increase in recognition reduces the aid needed to arrive at the per student entitlement

Local Property Tax and State Aids

dollars for that school year. This saving is a windfall, since it will not recur.

The table below breaks down the \$10.2 billion aid expenditures.

This is more than 60 percent of total state appropriations, excluding higher education tuition and other service fees appropriated by the state.

PROPERTY TAX AND LOCAL AIDS
(000's)

	Trust Fund	General Fund		Trust Fund	General Fund
Local Government Aid	567,038		Human Service Aid	34,634	250,042
Equalization Aid	38,905		Mortgage Registry		109,084
Disparity Aid	59,785	25,594	Dedicated Hospital Receipts		300,075
Border City Disparity	5,271		AFDC, etc.		151,331
Attached Machinery Aid	4,764	1,672	General Assistance and Work Readiness		134,017
Homestead & Agriculture Credit Aid	709,730	327,048	Minnesota Supplemental Aid		86,914
Supplemental Homestead Credit	765	1,122	Medical Assistance		1,386,752
Homestead Guarantee	160		General Assistance Medical Care		313,620
RTB Levy Reduction		4,899	Social Services	51,566	51,603
Enterprise Credit		1,062	General Fund Human Service Aids		\$ 2,783,438
Circuit Breaker		290,881	Trust Fund Human Service Aids	\$ 86,200	
General Fund Tax & Credit Aids		\$ 652,278	Local Corrections		80,372
Local Government Trust	\$ 1,386,418		Courts		143,302
TOTAL TAX AIDS & CREDITS - ALL FUNDS	\$2,038,696		Total Justice System Aids		\$223,674
			Education Aids		4,310,251
Police and Fire Aid		85,077	Community Health Aids		\$ 33,306
Minneapolis Retirement Fund		20,910	TOTAL TRUST FUND AIDS	\$ 1,472,618	
Local Police - Fire		10,485	TOTAL GENERAL FUND AIDS		\$ 8,122,236
Judges Retirement		2,815	*****		
Total Pensions		\$ 119,287	Non-General Fund Aids		
			Without Trust Fund Aids		
			Permanent School	60,500	
			Highway County Aids	482,000	
			Municipal Highway Aids	133,000	
			Totals Non-General Fund Aids	\$ 675,500	
			TOTAL AIDS ALL FUNDS		\$ 10,270,354

Appropriations

Elementary and Secondary Education

Fiscal action taken by the 1992 Legislature in elementary and secondary education was marked by significant changes in accounting procedures, with very minor reductions in a handful of existing programs. The largest accounting change was an increase in the property tax recognition shift percentage from 37 percent to 50 percent. This levy recognition shift reduced state appropriations for the biennium by \$182.7 million. The Legislature also appropriated \$300,000 for short-term borrowing aid to districts to reduce any negative cash flow impacts caused by the shift. Another \$6.2 million was cut from various programs including a \$1.9 million permanent reduction in capital expenditure revenue, a \$1.0 million reduction in special education equalization aid, a \$200,000 reduction in adult basic education, a \$136,000 reduction for management information systems revenue, and a \$140,000 (five percent) reduction in the Department of Education budget. A number of excess appropriations from fiscal year 1992 were also canceled to the General Fund.

The state appropriations for two programs -- Debt Service Equalization and Maximum Effort School Loans -- were increased significantly.

Debt Service Equalization, a program which

was enacted in 1991 but lost its funding due to a governor's veto, received a \$3 million appropriation. During 1992 the state's debt service levy was identified by a Minnesota court as a major area in which education funding was found to be inequitable due to its reliance on local property tax wealth. The Debt Service Equalization Program will remedy this by providing aid to districts to help reduce the local debt service levy. The Maximum Effort School Loan Program received an appropriation of \$2.1 million for debt service on state bonds issued to fund loans to qualified districts. Statewide, the financial actions taken in elementary and secondary education total approximately \$184 million in reductions.

In a forward looking fiscal action, the Legislature passed the Minnesota Education Finance Act of 1992. This act will eventually lead to a restructured approach to elementary and secondary education funding based on outcomes. The act provides for basic instruction aid, elective instruction aid, and local discretionary revenue to school districts. The legislation directed the Department of Education to determine the required services and costs necessary to establish such a finance system. This act is scheduled to take effect in fiscal year 2000.

Higher Education

The 1992 Legislature reduced appropriations to postsecondary institutions by approximately \$29 million. Reductions to each system were as follows:

State Board of Technical Colleges	(\$ 5,785,000)
State Board for Community Colleges	(3,503,000)
State University Board	(3,999,000)
Regents of the University of Minnesota	(15,713,000)
Total	(\$29,000,000)

An appropriation of approximately \$23 million to the University of Minnesota was restored through legislative action. This appropriation had been vetoed by the Governor during the 1991 session.

Higher Education Funding

To protect the instructional and educational programs at postsecondary institutions, the Legislature included language delineating how budget reductions will be calculated in future biennia. These computations will direct budget reductions to areas outside each system's mission, and dampen the impact of the combined effect of general budget reductions and budget reductions attributable to declines in enrollment.

The inclusion of migrant farm workers in the calculation of student enrollment for the receipt of state appropriations was approved.

The Legislature appropriated \$440,000 to the Higher Education Board for operational costs.

Financial Aid

The Legislature addressed the concerns of part-time students receiving financial assistance by authorizing the transfer of \$4 million from postsecondary system budgets to the Commissioner of Finance. This transfer insures that full grant awards are made to students participating in the state grant program.

The Health Care Access Bill contained provisions expanding or establishing loan forgiveness programs for health care professionals. The bill expands the rural physician loan forgiveness program and establishes a

loan forgiveness program for mid-level practitioners and nurses who agree to practice in a nursing home or intermediate care facility for individuals with mental retardation. An appropriation of \$189,000 was made for these programs and for continuing education grants for physician assistants.

An appropriation of \$2.2 million was made to the University of Minnesota to enhance the training, clinical experience, and continuing education of primary care physicians.

Campus Safety and Security

Public and private postsecondary institutions were required to prepare and implement plans to address problems relating to sexual harassment and violence on campus. The plan must address: security measures to be taken to protect students, and programs or other efforts that will be undertaken to provide mandatory violence and sexual harassment prevention training to faculty, staff, and students.

The Higher Education Coordinating Board was directed to undertake several initiatives related to campus safety and security. These include: conducting a random survey of certain postsecondary graduates to ascertain if the violence prevention and sexual harassment programs have met their professional needs, and collecting information on postsecondary course offerings and programs relating to the identification, extent, and causes of violence.

An appropriation of \$150,000 was made to the Higher Education Coordinating Board for grants to provide multi-disciplinary training on the identification, extent, and causes of violence and on approaches to dealing with victims and perpetrators.

Human Services

Chapter 513 modified a number of appropriations to the Department of Human Services (DHS), resulting in a net reduction of \$858,000.

Agency-Wide

The Legislature made agency-wide reductions of almost \$6.1 million in the Department. The following areas were targeted for reductions: rent (\$500,000); computer delays (\$1 million); contract delays and reductions (\$1.4 million); travel and printing (\$400,000); reductions of part-time and temporary positions (\$600,000); reductions in a contract with the Minnesota Department of Health for the certification and inspection of long-term care facilities (\$700,000); a reduction in fiscal year 1993 central office non-salary costs (\$864,000); and a 1993 reduction of 20 positions (\$625,000). These are general targets for separate salary and non-salary reductions. The specific cuts that will occur to meet the salary and non-salary targets are subject to change based on circumstances within the agency.

Administration

Appropriations for administration of the agency were reduced by \$180,000 and six positions for fiscal year 1993. One position and \$32,000 were eliminated in the following six areas: executive office, financial management, systems management, reimbursements, rules and bulletins, and licensing. An appropriation of \$12,000 was approved for 1993 to study

housing restrictions on day care licensure.

Economic Services to the Elderly

A reduction of \$32,000 and one position in fiscal year 1993 was approved in the adult services area.

Services to Special Needs Adults

Funding for these programs was reduced by just over \$5 million. A reduction of \$600,000 was made in fiscal year 1993 Community Social Services Act (CSSA) funds targeted for case management services to persons with developmental disabilities being discharged from regional treatment centers. Contingent on federal approval, this activity will be paid for through the Medical Assistance (MA) program and will earn federal matching funds. An appropriation of \$270,000 was provided in the MA account as the state share of providing these case management services. The forecast for spending under the Consolidated Chemical Dependency Treatment Fund was reduced by almost \$4.3 million to reflect slower than expected growth in program costs and an increase in anticipated future federal funding. A \$300,000 savings in the consolidated fund is expected in 1993 through a billing change that will prohibit payments to vendors until third party insurance claims are settled. The Legislature provided an additional \$195,000 in 1993 for chemical dependency services to persons who are not entitled to services by law but are in a second priority category.

Economic Support and Transition Services for Families and Individuals

A \$24.6 million reduction was made in this area, which includes the Aid to Families with Dependent Children (AFDC), General Assistance (GA)/Work Readiness (WR), and Minnesota Supplemental Aid (MSA) programs.

Aid to Families with Dependent Children

The AFDC forecast was reduced by over \$12.5 million to reflect lower than anticipated caseload growth and an increase in the percentage of federal funding effective October 1, 1992. The Legislature provided \$300,000 and six positions in fiscal year 1993 to establish an administrative disqualification hearing process for recipients accused of fraud and to cover the costs of allowing fraud prevention investigators to access credit bureau information. Fraud-related activities qualify for 75 percent federal reimbursement which will be deposited in the General Fund. In addition, the two fraud prevention measures are expected to save \$120,000 in AFDC grants. The Legislature provided \$800,000 in 1993 to complete development of the Minnesota Family Investment Program (MFIP). If funded by the Legislature in 1993, MFIP field trials would begin in April 1994. MFIP is a comprehensive welfare reform initiative to be tested on a pilot project basis to determine the impact of increasing incentives for AFDC recipients to work, and removing barriers for two-parent families to obtain assistance. The appropriation for the AFDC Child Care Entitlement Program was reduced by over \$8.3 million to reflect reduced projections of recipients using the program. The Legislature approved a transfer of \$2.8 million in 1993 from the basic sliding-fee child care account to the AFDC child care account. The transferred money will qualify for an additional \$3.4 million in federal matching funds. The money taken from the basic sliding-fee program will be replaced by money from the

federal Child Care and Development Block Grant, which the state began receiving in 1991. The transfer will allow 2,000 additional AFDC families not enrolled in project STRIDE (Success Through Reaching Individually Developed Education) to obtain child care services while they attend an educational program or search for a job.

General Assistance

The GA forecast was increased by almost \$35.5 million. This appropriation reflects a law change making families with children eligible for GA, which has no time limits on eligibility, instead of WR, under which eligibility is limited. The increase is largely offset by forecast reductions in the WR program. A savings of \$800,000 in fiscal year 1993 is anticipated through increased efforts to convert GA clients to the federally-funded Supplemental Security Income (SSI) program. A \$929,000 appropriation for fiscal 1993 was approved for GA to transfer non-English speaking high school students from WR to GA, and WR funding was reduced by \$542,000 in 1993 to reflect this transfer. A savings of \$200,000 is anticipated in 1993 in GA because of a decision to place a \$540 monthly room and board rate limit on group residential housing settings that are not licensed to provide programs or supplemental services.

Work Readiness

The WR forecast was reduced by over \$36.5 million, largely to reflect a shift of families with children from WR to GA. A \$400,000 appropriation was approved for fiscal year 1993 to allow recipients to use their WR eligibility in non-consecutive months. Under current law, WR clients must use their five months of eligibility in consecutive months or forfeit the remaining months of eligibility. A savings of over \$2.8 million is expected through a delay in the initial

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payment of benefits until after a recipient has participated in WR orientation. WR eligibility is extended to a maximum of six months instead of five, effective January 1, 1993, at a cost of \$1.1 million. An appropriation of \$250,000 in 1993 was approved to cover the costs of providing essential items to WR clients who are starting jobs.

Minnesota Supplemental Aid

The MSA forecast was reduced by over \$3.1 million in fiscal year 1992 as a result of lower expenditures for negotiated rate facilities and increased by almost \$2.6 million in fiscal year 1993 as a result of higher caseload projections. The net result was a biennial reduction of \$567,000. A savings of \$550,000 in 1993 was anticipated through a delay in the implementation of the residential care home rule, which would establish minimum requirements for board and lodging facilities that provide special services. A savings of \$360,000 was anticipated by slowing down the process of relocating persons with developmental disabilities who are currently residing in nursing homes. The savings will be realized because room and board costs in the alternative settings would have been paid by the MSA program for the persons relocated. Another \$1 million in savings is anticipated from the \$540 cap on room and board rates for group residential housing settings that are not licensed to provide programs or supplemental services.

Health Care

The Legislature provided more than \$47.1 million for health care programs, including programs supported by revenue from the Medical Assistance provider surcharge.

Medical Assistance

The MA forecast was increased by over \$9.8 million in fiscal year 1992 and reduced by almost \$24.5 million in fiscal year 1993, for a net reduction of over \$14.6 million. The 1993 reductions are due to caseloads growing more slowly than anticipated and an increase in the federal matching rate.

MA spending was cut by \$250,000 in fiscal year 1993 as the result of the establishment of payment limits for the combined use of community-based and home care services for persons with developmental disabilities. A savings of over \$3.2 million is anticipated from a decision to delay the relocation of persons with developmental disabilities from nursing homes to community-based waived services. A savings of almost \$1.3 million is expected in 1993 by requiring home care services to be billed in quarter-hour increments, and \$258,000 in savings should result in 1993 from modifying the way nursing services are billed. No reductions in home care services were approved by the Legislature. Savings of \$441,000 are anticipated in 1993 from an expanded use of competitive bidding contracts to cover vaccines, independent laboratory services, certain nutritional products, and other products as appropriate. A savings of \$640,000 in 1993 is anticipated from an expansion of the program to monitor recipients who have restrictions placed on their use of medical services in order to control abuses. Two staff and \$106,000 were provided in 1993 for this expansion of utilization review.

The Legislature provided \$200,000 for fiscal year 1993 in administrative money for a project designed to maximize federal funds by shifting clients from state-only medical programs such as General Assistance Medical Care (GAMC) and the Children's Health Plan (CHP) to MA. The project will increase state MA costs by

\$100,000 but is expected to reduce GAMC costs by \$200,000. A 1993 appropriation of \$826,000 was provided to cover the MA costs associated with continued operation of the CHP. In many cases, clients who apply for CHP are found eligible for MA instead. A \$200,000 appropriation was provided for 1993 for the administrative costs associated with establishing a room and board rate limit of \$540 per month for group residential housing settings. A savings of \$150,000 is anticipated by limiting reimbursement rates for intermediate care facilities for persons with mental retardation when the facilities are sold.

A number of modifications occurred in MA appropriations for the operation of state residential facilities. A savings of \$97,000 in MA grants and a loss of \$227,000 in MA collections are anticipated as a result of a reduction in the fiscal year 1993 appropriation for start-up operating costs at the 35-bed security unit planned for the Brainerd Regional Treatment Center (RTC). A savings of almost \$1.5 million in MA grants and a loss of over \$3.9 million in MA collections are expected as a result of a reduction in the 1993 appropriation for start-up operating costs associated with the new nursing home beds planned at the Brainerd, Cambridge, and Fergus Falls RTCs. The Governor has placed a hold on bonding for both the security unit at Brainerd and the new nursing home beds at three RTCs. A savings of \$162,000 in MA grants and a loss of \$378,000 in MA collections are anticipated due to a reduction in the 1993 appropriation for salaries at the RTCs. (See the section on State Residential Programs below for details on the RTC appropriation reductions.)

General Assistance Medical Care

The GAMC forecast was increased by almost \$29.5 million to reflect higher-than-expected caseload growth. A savings of \$316,000 is

expected in fiscal year 1993 from the accelerated transfer of GA clients to the federal SSI program which also results in a transfer of medical costs from GAMC to MA. A savings of almost \$1.1 million is also anticipated in 1993 from legislative action to make targeted case management services available only to residents of institutions for mental disease (IMDs) rather than to all GAMC recipients. A \$200,000 GAMC savings is anticipated in 1993 from efforts to shift as many clients as possible from GAMC to the MA program in order to maximize federal funds. The Legislature provided over \$1.6 million for 1993 to cover the GAMC costs of parents of CHP applicants who are determined eligible for GAMC during the CHP application process.

Children's Health Plan

The Legislature provided about \$2.5 million to cover a projected deficit in this program.

Medicaid Provider Surcharges

The Legislature modified the MA provider surcharge program effective October 1, 1992, in an effort to comply with a federal law enacted in November, 1991. For the period from October 1, 1992, to June 30, 1993, the surcharge program is expected to generate almost \$50.6 million in revenue. Hospitals will pay 1.4 percent of net revenue less Medicare revenue, generating almost \$22.1 million in revenue for the last nine months of the biennium. Nursing homes, whether or not they participate in the Medicaid program, must pay \$535 per bed, generating over \$15.1 million. Health maintenance organizations are surcharged .6 percent of net revenue, which will raise over \$6.2 million. Physicians must pay \$400 each, raising almost \$4.4 million. In addition, the county hospitals in Hennepin and Ramsey Counties must make an intergovernmental

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transfer of two percent of net revenue. This will raise almost \$2.8 million in nine months.

Hospital expenditures related to the surcharge are expected to total almost \$11.8 million for the last nine months of the biennium, as follows: increased payments to hospitals that treat a disproportionate share of Medicaid patients (almost \$2.1 million); outpatient payment rates increased by 20 percent (costing almost \$2.4 million in MA, \$875,000 in GAMC, and \$175,000 in CHP); increased payments to small rural hospitals (\$440,000); a one percent increase in the hospital cost index used to inflate hospital rates (\$457,000); refusal to adopt the Governor's proposed elimination of payments to hospitals for costs related to medical education (\$2.3 million in MA and about \$1.8 million in GAMC); refusal to approve the Governor's proposal to reduce MA inflation to the Medicare level (\$833,000); and conversion of MA payments for mental health services to a per admission rather than a per day basis (\$1 million). This spending is somewhat offset by savings of \$300,000 in MA and \$194,000 in GAMC related to a reduction in the estimated cost of outpatient rate increases approved in 1991.

Nursing home expenditures related to the surcharge are expected to total \$4.5 million for the last nine months of the biennium, as follows: surcharge payments will be treated as an allowable cost after September 30 (\$938,000); the equipment allowance is increased by 28 percent (over \$1.2 million); the inflationary adjustment is increased by .7 percent (about \$1.9 million); nursing home property reimbursement is substantially modified (\$447,000); and additional exceptions to the nursing home moratorium will be allowed (\$46,000).

Health maintenance organizations providing services to recipients of MA and GAMC will receive reimbursement adjustments to reflect increased payments for hospital, physician, and dental services. The cost of these increases

over the last nine months of the biennium is expected to be almost \$7.8 million in MA and GAMC.

Physician reimbursement rates were increased effective October 1, 1992. The increase will be 25 percent for office calls and other outpatient services, preventive services, services related to pregnancy, and certain other services. The payment increase for all other services will be 15.4 percent. Dental payment rates will be increased by 25 percent across the board. The total cost of these increases in MA, GAMC, and CHP is expected to be about \$8.3 million for physicians and over \$1.5 million for dentists. These costs are somewhat offset by eliminating smaller rate increases for physicians and dentists that were previously scheduled to occur on July 1, 1992. The savings from this delay were about \$1.3 million in MA and \$540,000 in GAMC.

Over \$14.3 million in surcharge-related expenditures were approved by the 1992 Legislature for the last nine months of the biennium to continue offsetting reimbursement reductions originally proposed in 1991 affecting nursing homes, physicians, dentists, home care providers, etc. The cost of these offsets during the nine-month period is almost \$9.7 million in MA, over \$4.5 million in GAMC, and \$102,000 in Minnesota Supplemental Aid.

State Residential Programs

Funding for state residential programs was reduced by over \$12 million. The subsidy for chemical dependency programs at RTCs was cut by over \$4.2 million. A savings of \$700,000 in fiscal year 1993 is anticipated as a result of hiring delays at the RTCs. The Legislature canceled a fiscal year 1992 appropriation of \$197,000 related to the proposed use of Minnesota Housing Finance Agency bonds to construct ten State Operated Community

Services (SOCS) facilities. The facilities will be constructed using general obligation bonds instead. Funding for the DHS transition unit planning SOCS development was reduced by \$665,000 for 1993.

The 1990 bonding bill provided funding and authority to remodel the Brainerd RTC for a 35-bed mental health security unit and to complete the remodeling of skilled nursing facilities at the

Brainerd, Cambridge, and Fergus Falls RTCs. In 1991 the Governor placed a hold on the bonding authority for these projects. As a result of this hold, the appropriation for start-up operating costs and principal and interest payments at the Brainerd RTC was reduced by \$993,000, and an earlier appropriation of almost \$5.3 million to establish and operate the nursing home beds was canceled.

Health

Health Care Access

The HealthRight Act (Chapter 549) provides coverage for the uninsured by creating a government subsidized health plan for low-income persons (MinnesotaCare) and by reforming private insurance practices to make coverage more available and affordable for employers and individuals. The Act also includes cost-containment measures, rural health programs, health care research and data initiatives, and medical malpractice reforms. The HealthRight Act appropriated a total of about \$26 million from the Health Care Access Account, a new account funded by cigarette and medical provider taxes.

The Legislature provided about \$13.4 million to the Department of Human Services for the MinnesotaCare Health Care Program for low-income, uninsured persons. Of this appropriation, approximately \$6 million was for the state's cost of providing health care, \$303,000 was for a program reserve fund, and about \$7 million was for start-up costs, administration, and marketing. The MinnesotaCare program was created by a phased-in expansion of the existing Children's Health Plan. The state will contract with health care insurers to deliver the services. By January, 1994, all individuals and

families with incomes below 275 percent of the federal poverty guidelines will be eligible to enroll. All enrollees will pay a premium based on family income. The program is limited to Minnesota residents who have been uninsured for at least four months and who have not had access to employer-based coverage for at least 18 months. There are exceptions to the 18-month requirement for layoffs and other involuntary terminations.

Cost Containment

The HealthRight Act provided about \$1.7 million to the Department of Health for cost-containment programs and other activities related to health care. Included in this appropriation were \$771,000 for a state Health Care Cost Containment Commission to develop strategies for cost containment, \$97,000 for regional boards, \$580,000 for data collection activities, \$3,000 for peer review, \$113,000 for legal costs, \$25,000 for a study of ways of coordinating delivery of state health care programs, and \$72,000 to implement the insurance market reforms in the HealthRight Act as applied to HMOs. The state Health Care Commission consists of members representing consumers, providers, employers, insurance companies, and unions. The Commission will

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Health

set limits on health care inflation and engage in other activities to reduce health care costs.

Regional coordinating boards will be formed to provide local community input. The state Commission and the Commissioner of Health will report to the Legislature before the 1993 session with a plan for further cost containment activities. Among the cost containment strategies included in the Act are restrictions on provider financial interests and referral practices under which providers profit from referring patients to particular services or providers, limits on the ability of providers to bill Medicare patients for more than the Medicare approved payment for a particular service, and the development of practice parameters that research has shown to be successful and cost effective.

Rural Health

The Legislature appropriated approximately \$4 million for rural health programs. Included in this appropriation are about \$1.4 million for the Health Department, \$2.2 million for the University of Minnesota, \$189,000 for the Higher Education Coordinating Board, and \$27,000 for the Department of Administration. The appropriation for the Health Department includes \$589,000 to establish and fund an Office of Rural Health, \$250,000 to develop community clinics in areas with a shortage of health care providers, \$450,000 for grants to rural hospitals, and \$55,000 for studies of access to obstetrical services in rural areas and ambulance subscription programs. The \$2.2 million appropriation to the University of Minnesota is earmarked to improve training and education programs for pediatricians, family practice physicians, and other primary care physicians. In addition, the University of Minnesota is asked to shift its focus to increase the number of primary care graduates and reduce the number of specialists. The \$189,000 appropriation for the Higher

Education Coordinating Board is for loan forgiveness programs for physicians, nurses, and mid-level practitioners who agree to practice in rural areas and continuing education grants for physician assistants. The Act also provided \$27,000 to the Department of Administration to conduct a study through the Statewide Telecommunications Access Routing System (STARS) and its advisory council to investigate and develop recommendations regarding the use of telecommunications technologies to improve rural health education and health care delivery.

Insurance Access and Reinsurance

The Legislature provided \$809,000 to the Department of Commerce, including \$654,000 for regulation of small employer insurance companies which will be recovered through fees, and \$155,000 for studies relating to insurance reform. The HealthRight Act includes a number of provisions designed to increase access to insurance in the private market, particularly for small employers. The Act allows insurance companies to offer small employers a new scaled-back health care benefits plan. Insurance companies will also be prohibited from denying coverage to a small employer based on the health status or risk of its employees. Insurance companies will also be prohibited from charging different rates based on the sex of the employees and other limits on the variation of rates are established. In addition, individuals and families will have a greater ability to change insurance companies without preexisting condition restrictions. The HealthRight Act also creates a reinsurance association that will enable insurance companies to create a mechanism to cover the risk of high cost cases.

The HealthRight Act included about \$1.7 million for the Department of Employee Relations to establish a pooled employers'

insurance plan that will allow employers to join a large risk pool made up of other employers in order to spread the risks across a larger group and to allow employers to benefit from the administrative efficiencies of a larger group.

The Legislature provided \$917,000 to the Department of Revenue for duties related to the collection of the taxes that are used to provide funding for the programs in the HealthRight Act. Funding sources include a five cent cigarette tax increase effective July 1, 1992, a two percent tax on gross patient revenues of hospitals beginning January 1, 1993, a two percent tax on gross revenues of health care providers beginning January 1, 1994, and a one percent gross premium tax on HMOs and nonprofit health insurers such as Blue Cross/Blue Shield and Delta Dental beginning January 1, 1996. The HealthRight Act also included a transfer of approximately \$4.3 million from the Health Care Access account to the General Fund to offset the loss of revenue that will result from allowing self-employed persons to deduct from their taxable income 100 percent of the cost of their health coverage and from increased enrollment in the Medical Assistance program that will result from the creation of the MinnesotaCare Access program. The Legislature appropriated \$125,000 to the Legislative Coordinating Commission for costs associated with the Legislative Oversight Commission established in the HealthRight Act.

Health Department

Chapter 513 modified a variety of appropriations to the Minnesota Department of Health (MDH), resulting in a net reduction of \$201,000. An across-the-board reduction of \$200,000 for fiscal year 1993 was part of this net change.

Protective Health Services

Funding for disease prevention and control was reduced by \$95,000. A \$67,000 appropriation was made for fiscal year 1993 to cover the Department's costs related to reviewing and monitoring health care workers infected with the Human Immunodeficiency Virus (HIV) and Hepatitis B (HBV). The appropriation to replace public health laboratory equipment was reduced by \$60,000. An appropriation of \$70,000 was provided for 1993 to initiate screening of all newborns in Minnesota for congenital adrenal hyperplasia (CAH), an inherited defect in the adrenal gland that causes substantial hormonal imbalance. The Department raised the newborn screening fee in January of 1990 to cover the cost of this test, but the screening method has just been finalized, and the appropriation was necessary to start performing the test on a routine basis using the screening fee revenue to offset costs. The Legislature provided \$1.49 million for 1993 to cover the costs of increased water supply monitoring required by federal law. It was anticipated that this appropriation would be offset by the water connection fee revenue described below. The appropriation for environmental health activities was cut by \$255,000.

Health Delivery Services

The budget for health promotion and education was reduced by \$44,000. Public health nursing was cut by \$60,000 and one staff position in fiscal year 1993. A \$400,000 savings in fiscal 1992 was achieved by returning that amount of the state Maternal and Child Health carry-forward account to the General Fund. The Health Economics Program was reduced by

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Veterans

\$33,000 and one staff position was eliminated in 1993. A net reduction of \$617,000 was made in various grant programs administered by the Department.

The following grants were reduced: Volunteer Ambulance Attendant Training Reimbursement Program (\$230,000); poison information centers (\$40,000); services for children with handicaps (\$275,000); Maternal and Child Health formula grants (\$72,000); dental health grants (\$31,000); non-smoking grants (\$19,000); and a general additional reduction (\$45,000).

Money was appropriated for 1993 for the following programs: \$40,000 to purchase nutritional supplements that don't need refrigeration or cooking for women and children who are homeless or living in a shelter and are eligible for the special supplemental food program for women, infants, and children (WIC); \$5,000 to prepare and distribute materials to retailers on state requirements related to the sale of inhalants; and \$50,000 for a demonstration project on the control of urinary incontinence in nursing homes.

Health Support Services

The budget for health information and general services was reduced \$64,000 in fiscal year 1993 through elimination of a level of middle management in the Center for Health Statistics.

Revenue

The Legislature increased a variety of fees to generate about \$6 million in revenue for the General Fund and \$211,000 in revenue for the state government Special Revenue Fund. General Fund revenue is anticipated to come from the following sources: \$67,000 in hospital licensing fees to offset costs of HIV and HBV monitoring; about \$4.8 million by imposing an annual water connection fee of \$5.21 on each service connection; \$66,000 from transferring staff to fee generating activities; \$128,000 by shifting from an accrual basis to a cash basis for reimbursement payments in the Volunteer Ambulance Attendant Training Reimbursement Program, and \$874,000 by increasing hospital and nursing home licensing fees to eliminate a deficit in the licensing program for those facilities. Of these amounts, all except for the \$128,000 resulting from the accounting change are anticipated in fiscal year 1993. In addition, the Legislature approved an increase in the Department's public lab fee from \$5 per specimen to \$15 per specimen, effective July 1, 1993. This increase is expected to generate an additional \$50,000 in revenue to the General Fund annually. Money in the Special Revenue Fund was increased by \$140,000 for the biennium through fee increases by the various health related boards to support HIV and HBV monitoring and by \$71,000 in 1993 for lead abatement activities.

Veterans

Veterans Nursing Homes Board

Chapter 513 reduced appropriations for the operation of veterans' nursing facilities by \$381,000. A \$51,000 savings was taken in fiscal year 1992 by delaying the hiring of an administrator for the new facility in Luverne, and

a \$300,000 savings will occur in fiscal year 1993 through a delay in the opening of that home. A \$70,000 appropriation was provided to pay for rent increases for board office space. A \$100,000 reduction was taken in 1992 appropriations to operate the Silver Bay veterans home.

Department of Veterans' Affairs

Department by \$29,000 in fiscal year 1993 through a general agency-wide cut.

Chapter 513 reduced appropriations for the

Transportation

Highways

The 1992 Legislature appropriated \$2 million from the state trunk highway fund for road maintenance and operation of the trunk highway system for 1992. The Legislature also decreased funding for state road construction by \$1.7 million in 1992 and \$4.8 million in 1993, and increased funding for construction engineering by \$1.7 million in 1992 and \$4.8 million in 1993.

Transit

The Legislature appropriated an additional \$1.5 million to the Regional Transit Board for

Metro Mobility for 1993. In addition, \$440,000 was appropriated for Greater Minnesota transit for 1993. The two funding amounts reflect the traditional ratio of funding between the metropolitan area and Greater Minnesota for transit activities.

Public Safety Transportation Activities

The Legislature cut the budget of the Department of Public Safety by \$1.42 million in 1992 and \$998,000 in 1993. Of that total, Driver and Vehicle Services was cut by \$339,000 in 1992 and \$229,000 in 1993, and the State Patrol was cut by \$16,000 in 1992 and \$40,000 in 1993.

Agriculture

Department of Agriculture

The 1992 Legislature reduced the General Fund budget of the Department of Agriculture by \$356,000 and appropriated an additional \$149,000 from the Environmental Fund. The increased appropriation from the Environmental Fund is for two additional positions in the Department of Agriculture for activities relating to agricultural chemical contamination under the state Superfund program.

DEPARTMENT OF AGRICULTURE 1992 Changes by Fund

Fund	1991-93
General Fund	(\$356,000)
Environmental Fund	149,000
Total	(\$207,000)

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The following table shows the net General Fund changes to the Department of Agriculture by purpose.

DEPARTMENT OF AGRICULTURE
General Fund Changes by Purpose

Purpose	1991-93
Protection Service	(\$431,000)
Promotion and Marketing	(91,000)
Family Farm Services	(7,000)
Administrative Supports and Grants	<u>173,000</u>
Total	<u>(\$356,000)</u>

Included in the net General Fund change for family farm services is \$200,000 for pass-through to the University of Minnesota for administration of the Farmer-Lender Mediation Program.

Included in the net General Fund change for administrative supports and grants is an increased appropriation of \$50,000 to the Commissioner of Agriculture for legal challenges of the federal milk marketing system and \$150,000 for a public education program about oxygenated gasoline requirements under the federal Clean Air Act.

The 1992 Legislature appropriated \$5.4 million from the Bond Proceeds Fund to the Department of Agriculture. Of this amount, \$5 million is for the Agricultural Improvement Loan Program and \$365,000 is for a potato inspection

facility in Crookston. The Agricultural Improvement Loan Program will provide reduced interest loans to farmers for agricultural improvements. During the first two years, the loans are limited to improvements by Grade B dairy farmers who are upgrading to Grade A. The maximum loan amount is \$20,000. The principal and interest on the bonds will be paid from payments made by the borrowers.

Dairy Prices

In Chapter 602, the 1992 Legislature established a minimum producer price of \$13.20 per hundred pounds of milk utilized as fluid milk (Class 1 milk). The state minimum price requirements are effective any time after August 1, 1992, when the price of milk used for fluid consumption under the federal milk marketing system is less than \$13.20. The Department of Agriculture is required to adopt rules on how additional money under the state minimum price is apportioned among dairy producers, including the use of pooling.

Board of Animal Health

The 1992 Legislature appropriated an additional \$10,000 from the General Fund to the Board of Animal Health for the 1991-93 biennium for testing chickens and turkeys for avian influenza.

Economic Development

Department of Trade and Economic Development

The 1992 Legislature reduced the General Fund budget of the Department of Trade and

Economic Development by a little over \$1 million in fiscal year 1992, and approved a net increase in the Department's budget of \$2.6 million for fiscal year 1993. This included 1993 budget cuts of about \$1.6 million. The 1993

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Economic Development
Housing

DEPARTMENT OF TRADE AND ECONOMIC DEVELOPMENT
Biennial Appropriation Adjustments

Division/Program	FY 1992	FY 1993
Community Development	(\$ 600,000)	(\$ 150,000)
Minnesota Trade Office	(80,000)	(100,000)
Tourism		(300,000)
Business Development and Analysis	(258,000)	(130,000)
Administration	(114,000)	(47,000)
Minnesota Trade Office Grants	(20,000)	
Business Development Grants	(224,000)	
Traverse des Sioux Center		150,000
Wage Subsidy Program - Summer Youth	250,000	250,000
Regional Parks - Operation and Maintenance		2,356,000
Debt Service - Great River Road and Como Park Conservatory		1,422,000
Base Cut		(832,000)
Totals	(\$ 1,046,000)	\$ 2,619,000

increase was primarily the result of reinstating \$1.4 million for bond retirement for the Great River Road project and the Como Park Conservatory, as well as a \$2.4 million appropriation for the operation and maintenance of the metropolitan regional park system. Both appropriations were vetoed by the Governor in 1991. The Legislature also restored funding for the Summer Youth Employment Program and a tourist information and interpretive center on the site of the Treaty of Traverse des Sioux. The table above details the appropriation adjustments.

Housing

The 1992 Legislature reduced the General Fund budget of the Minnesota Housing Finance Agency by \$750,000 for fiscal year 1992. The Legislature raised funding by \$1 million for fiscal year 1993, and transferred \$750,000 from new and existing programs to a Blighted Property Demolition Program for large rental projects. The following table details the appropriation adjustments.

The Housing Trust Fund account provides deferred loans without interest for the development, construction, acquisition, preservation, and rehabilitation of low-income rental housing. Funds for the program are generated by interest earnings on trust accounts kept by real estate brokers. By appropriating an additional \$1 million to the fund, the Legislature effectively doubled the money available to the account.

The Capital Reserve and Urban Indian Programs combine appropriated money with private capital or bond proceeds to make loans to qualified low and moderate income people to buy and rehabilitate homes. Base level funding

for the two programs is \$1,650,000 and \$374,000 respectively. The Blighted Property Acquisition Program provides funding for the acquisition and rehabilitation of residential

MINNESOTA HOUSING FINANCE AGENCY
Biennial Appropriation Adjustments

Program	FY 1992	FY 1993
Capital Reserve Program	(\$ 75,000)	(\$ 75,000)
Blighted Property Acquisition	(87,000)	(88,000)
Urban Indian Housing	(38,000)	(37,000)
Homeownership Assistance Fund	(550,000)	(550,000)
Blighted Property Demolition		
Large Rental	-0-	750,000
Housing Trust Fund Account	-0-	1,000,000
Totals	(\$750,000)	\$1,000,000

properties. Base level funding for the program is \$1,850,000. Homeownership Assistance Fund money is combined with bond funds to enable lower-income persons to purchase homes. Base level funding for the program is \$750,000. However, the agency will be able to

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Natural Resources

return \$1.1 million to the General Fund due to the number of loan prepayments resulting from borrowers refinancing their mortgages to take advantage of the sharp drop in interest rates over the past year. The reduction will not result in fewer first mortgage loans being made under the agency's bond-funded Minnesota Mortgage Program, but will result in the agency's inability

to selectively target lower-income borrowers.

In addition, the Legislature raised the agency's aggregate principal amount of bonding authority from \$1.99 billion to \$2.4 billion.

Natural Resources

Department of Natural Resources

The 1992 Legislature provided for \$4.1 million in General Fund cuts to the Department of Natural Resources (DNR). The Legislature also appropriated an additional \$806,000 from the Natural Resources Fund for watercraft titling and aquatic exotic species and \$94,000 from the Game and Fish Fund for hunting license administration. To provide additional money for aquatic exotic species management, the watercraft registration surcharge was increased from \$2 to \$3.

DEPARTMENT OF NATURAL RESOURCES 1992 Changes by Fund

Fund	1991-93
General Fund	(\$4,078,000)
Natural Resources Fund	806,000
Game and Fish Fund	94,000
Total	(\$3,178,000)

The following table shows the General Fund reductions to the DNR by purpose and includes information on the percentage of total reductions to the DNR.

DEPARTMENT OF NATURAL RESOURCES General Fund Reductions by Purpose

Purpose	1991-93	Percent of Total
Mineral Resources Management	(\$ 541,000)	13.3
Water Resources Management	(750,000)	18.4
Forest Management	(161,000)	3.9
Parks and Recreation	(205,000)	5.0
Trails and Waterways	(12,000)	0.3
Fish and Wildlife Management	(397,000)	9.7
Enforcement	0	0.0
Field Operations Support	(591,000)	14.5
Regional Operations Support	(311,000)	7.6
Special Services	(380,000)	9.3
Administrative Services	(200,000)	4.9
Wetland Administration	(530,000)	13.0
Total	(\$4,078,000)	100.0

The net General Fund reduction for forestry is \$161,000. Because the 1992 Legislature appropriated an additional \$960,000 to the DNR for reforestation, the reductions for regular forest management activities are understated in the table. The actual reduction to existing forest management activities is \$1.1 million.

The repeal of the payment program to local governments on tax-forfeited lands within state forests (50-50 lands) is a part of the budget bill (Chapter 513). This repeal is not reflected in the

above table. Because payments under the 50-50 program from the prior year are deducted from the regular in-lieu-of-tax payments to local governments, this is a one-time reduction of local aid payments in fiscal year 1993 of \$491,000. In future years, local government aid payments on 50-50 lands will be made under the regular in-lieu-of-tax payment program.

The net General Fund reduction in state parks and recreation management includes a \$400,000 reduction in fiscal year 1992 and a \$195,000 increase for fiscal year 1993.

Department of Natural Resources Bonding

The 1992 Legislature appropriated \$11.7 million from the Bond Proceeds Fund to the DNR for natural resources projects. The table below provides a list of the appropriations by purpose and percentage of total Bond Proceeds Fund appropriations to the DNR in 1992.

DEPARTMENT OF NATURAL RESOURCES BONDING
Appropriations by Purpose

Purpose	Amount	Percent of Total
Dam Repair and Replacement	\$ 1,570,000	13.4
Flood Hazard Mitigation	500,000	4.3
Field Office Consolidation	1,731,000	14.8
State Parks	2,751,000	23.5
State Trails	1,000,000	8.6
Fish Hatchery Improvements	1,250,000	10.7
Scientific and Natural Areas	100,000	0.9
Fuel Tank Replacement	295,000	2.5
State Park Acquisition	600,000	5.1
State Forest Acquisition	385,000	3.3
Well Sealing on State Land	250,000	2.1
Critical Habitat Acquisition	<u>1,250,000</u>	<u>10.7</u>
Total	\$11,682,000	100.0

Board of Water and Soil Resources

The 1992 Legislature reduced the General Fund appropriation to the Board of Water and Soil Resources (BOWSR) by \$900,000. Included in the reduction was a \$1.1 million reduction in the General Fund appropriation for Reinvest in Minnesota (RIM) - Reserve Easements which was appropriated in the "Wetlands Conservation Act of 1991." The 1992 Legislature appropriated an additional \$200,000 for assistance to local government units for implementation of the "Wetlands Conservation Act of 1991."

The 1992 Legislature also appropriated \$1.25 million from the Bond Proceeds Fund for RIM-Reserve easements.

Zoological Board

The 1992 Legislature reduced the appropriations to the Zoological Board by \$294,000 and removed admission receipts at the Minnesota Zoological Garden from being deposited in the General Fund. Future admission receipts will be credited to a special revenue fund which is annually appropriated to the Zoological Board.

The 1992 Legislature also appropriated \$1.8 million from the Bond Proceeds Fund to the Zoological Board for roof replacement.

Citizen's Council on Voyageurs National Park

The 1992 Legislature reduced the General Fund appropriation to the Citizen's Council on Voyageurs National Park by \$18,000.

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Pollution Control

Science Museum of Minnesota

The 1992 Legislature reduced the General Fund appropriation to the Science Museum of Minnesota by \$60,000.

The 1992 Legislature also appropriated \$200,000 from the Bond Proceeds Fund for remodelling planning.

Legislative Commission on Minnesota Resources

The 1992 Legislature transferred \$876,000 from the Minnesota Future Resources Fund to the General Fund to help balance the General Fund budget. Money for the Minnesota Future Resources Fund comes from a two cents per-pack cigarette tax.

The 1992 Legislature also appropriated \$760,000 from the Minnesota Future Resources Fund for two projects which were funded by the

1991 Legislature. The original appropriations were canceled because time ran out on contingent matching requirements.

Metropolitan Parks and Recreation

The 1992 Legislature appropriated \$4.55 million from the Bond Proceeds Fund to the Commissioner of Trade and Economic Development for metropolitan park and recreation facilities. The appropriation includes \$2.25 million for Metropolitan Parks, \$1.9 million for an oval speedskating facility, and \$400,000 for the National Sports Center.

Lake Superior Center and Zoological Garden

The 1992 Legislature appropriated \$2 million for the Lake Superior Center and \$300,000 for the Lake Superior Zoological Garden from the Bond Proceeds Fund.

Pollution Control

Pollution Control Agency

The 1992 Legislature reduced the General Fund budget of the Pollution Control Agency (PCA) by \$1.2 million and appropriated an additional \$1.2 million from the Environmental Fund. The additional appropriation from the Environmental Fund is for a statewide investigation of landfill cleanup needs. Money for the investigation comes from a temporary one-year surcharge of 20 cents per cubic yard on all municipal solid waste which is processed or disposed of in Minnesota. The surcharge will be collected on municipal solid waste from July 1, 1992 to June 30, 1993.

POLLUTION CONTROL AGENCY
1992 Changes by Fund

Fund	1991-93
General Fund	(\$1,150,000)
Environmental Fund	<u>1,200,000</u>
Total	\$ 50,000

The following table shows the General Fund reductions to the PCA by purpose and includes information on the percentage of total reduction to the PCA.

POLLUTION CONTROL AGENCY
General Fund Reductions by Purpose

Purpose	1991-93	Percent of Total
Water Pollution Control	(\$ 332,000)	28.9
Air Pollution Control	0	0.0
Groundwater and Solid Waste	(283,000)	24.6
Hazardous Waste Pollution Control	(325,000)	28.3
Regional Support	0	0.0
General Support	(210,000)	18.3
Total	(\$1,150,000)	100.0

The 1992 Legislature appropriated \$20.6 million from the Bond Proceeds Fund for programs relating to wastewater treatment. Of this total, \$13.1 million is to the PCA for combined sewer overflow and \$7.5 million is to

the Public Facilities Authority for the state Water Pollution Control Revolving Fund.

Office of Waste Management

The 1992 Legislature reduced the General Fund budget of the Office of Waste Management by \$596,000 and increased appropriations from the Environmental Fund by \$200,000. The increased appropriations from the Environmental Fund are for activities under the 1990 Toxic Pollution Prevention Act.

The 1992 Legislature also appropriated \$2 million from the Bond Proceeds Fund for the Capital Assistance Program.

Protection of Workers

Workers' Compensation

The 1992 Legislature passed and the Governor signed a workers' compensation insurance reform bill that changed the benefit structure; created a new medical treatment system; mandated a 16 percent reduction in insurance rates; made offering of deductible policies mandatory; and made a number of other significant changes in existing law.

The Legislature appropriated \$1,644,000 from the workers' compensation special fund to administer the law. This included \$141,000 for setting treatment standards; \$415,000 for setting up managed care plans; \$68,000 for a relative value fee schedule; \$500,000 for other provisions of the health care and rehabilitation amendments; \$350,000 for the fraud unit; and

\$170,000 for a department information and help program for employers and injured workers.

On top of that, the Legislature enacted an open and standing appropriation from the special compensation fund for safety programs in the assigned risk insurance system. The appropriation is limited by fines collected under the workers' compensation system.

Significant provisions in various areas were:

Benefits: The new law changes the minimum benefit to 20 percent of the Statewide Average Weekly Wage (SAWW) or the injured employee's pre-injury wage, whichever is less. The previous minimum benefit was 50 percent of SAWW or the actual wage, whichever is less, but never below 20 percent of SAWW.

Appropriations Protection of Workers

The maximum benefit was changed from 100 percent of SAWW to 105 percent of SAWW.

Temporary partial benefits pay injured workers, who return to lower-paying jobs because of the injury, two-thirds of the difference between the pre-injury wage and the new wage. Existing law allows this benefit to continue until the new wage is as high as the pre-injury wage. The new law limits the duration of the benefit to 225 weeks.

The escalator provision, which adjusts benefits annually at the rate of the growth of SAWW, was changed in two ways. The maximum increase was changed from six percent to four percent, and the first adjustment was delayed for one year. This means that the first escalator adjustment will occur after the second anniversary of the injury.

Medical: The new law provides an optional new managed care system that includes treatment standards and utilization control and a new relative value fee schedule. The Minnesota version of workers' compensation managed care provides an option for the employer/insurer to contract with independent managed care organizations to provide medical care and treatment for injured workers. This would eliminate doctor shopping. Managed care organizations would have to be certified by the Commissioner of Labor and Industry for service coverage, geographic accessibility, quality care delivery, utilization review, and a dispute resolution system.

The state would enact treatment standards to allow definition of excessive, unnecessary, and inappropriate treatment. The law also mandates fee schedules for adverse medical examinations, discounts for hospital charges, and standardized billing forms.

Insurance: The law provides mandatory deductible workers' compensation insurance policies, with the amount of the deductible to be

selected by the employer. It also creates a safety fund for the assigned risk plan which includes one-third of the state's employers. The safety fund involves workers' compensation fines to be used for safety inspections and grants to help small employers improve workplace safety. Under the new law, employers will need two rejections for regular insurance before becoming eligible for assigned risk. Only one rejection was needed under the old law.

Anti-Fraud Provisions: The new anti-fraud provisions in the law include an anti-fraud unit; making workers' compensation fraud by employees, vendors, attorneys, or insurance companies a theft under criminal statutes; and a provision for recovery of overpayments if fraud was involved.

Some other significant provisions in the new law are: Repeal of the second injury fund; elimination of mandatory vocational rehabilitation consultations; exempting family farms with payrolls of the statewide average weekly wage or less in cash wages from mandatory workers' compensation coverage; new limits on attorney fees; and a small claims court and streamlining of the dispute resolution system.

Jobs and Training

Chapter 513 provided just over \$1.3 million for the Department of Jobs and Training. State funding of an additional \$1 million was provided for the Head Start Program for fiscal year 1993. The money must be used to provide services to additional low-income children and not for innovative programs or service expansion grants. The Legislature provided \$250,000 in 1993 for vocational rehabilitation services for persons with mental illness, contingent on the receipt of federal matching funds. A \$75,000 appropriation was approved for the Vinland Center for 1993 for rehabilitation programs for severely disabled persons.

Public Employees

Retirement

The major retirement legislation enacted and signed into law in 1992 was a change in the formula for determining post-retirement benefit increases. Under the old formula, retirees and other benefit recipients received an increase when realized earnings of the Post Retirement Investment Fund exceeded five percent a year. Any realized earnings in excess of five percent were divided among benefit recipients. It was a requirement that realized gains be paid out. Increases in the market value of investments were not counted. This put the incentives on investing strategy on income-generating bonds rather than on stocks. Stocks usually would generate higher earnings over time, but would have to be liquidated in order for significant income to be realized.

In addition, because it depended heavily on bond rates, the old formula was inversely sensitive to inflation; it provided large post-retirement increases when inflation was low, and smaller increases when inflation was high. The State Board of Investment estimated that the investment pattern dictated by the old formula would produce benefit increases ranging from two-and-one-half percent over the next few years. Finally, a switch to more stocks under the old formula, which required that realized gains be paid while market-value increases were disre-

garded, would have produced very large benefit increases in some years and none in other years, depending on turnover in investments.

Under the new formula, set out in Chapter 530, investment performance will be measured by increases or decreases in market value, permitting the fund to have a more diversified, higher-earning portfolio. Post-retirement benefit increases will be based on two components. The first component will give beneficiaries increases based on inflation, amounting to 100 percent of the Consumer Price Index, up to three-and-one-half percent a year. The second component will be based on investment earnings, measured by increases in the market value of the fund's portfolio. To avoid sharp swings in this component, investment performance will be spread over a five-year period.

Because of that spread, the new formula will be phased in over the next five years. During that period, beneficiaries will receive the greater of two investment-component increases. The first would be the amount based on actual investment gains. The second would be a transition adjustment amounting to one percent in the first year and phasing down to one-fourth-of-one percent in the fourth year. By the fifth year, beneficiaries will receive a full investment-component increase based on increases in market values over the preceding five years.

Industry Regulation

Gambling

Chapter 513 raised fees paid by manufacturers of gambling equipment and distributors of pulltabs, paddlewheels, and other gambling supplies.

Manufacturers' fees were raised from \$2,500 to \$5,000 per manufacturer. There are 14 currently licensed manufacturers, which means that revenues will increase from \$35,000 to \$70,000.

Appropriations Industry Regulation

Distributors' fees were raised from \$2,500 per distributor to \$3,500 per distributor. There are 30 currently licensed distributors in Minnesota, which means that revenues will increase from \$75,000 to \$105,000.

Lottery

The lottery establishes a lottery operations account in the lottery fund. The amount of funds that can be transferred from lottery earnings to the lottery operations account is set by statute. For fiscal year 1993, this amount was reduced from 15 percent to 14.5 percent. Thereafter, the 15 percent cap is back in place.

Commerce

Chapter 513 raised license fees on several categories of licensees regulated by the Department of Commerce. The increased license fees will provide additional revenue for the General Fund.

Insurance Related Fees: Insurance companies pay a fee per certificate submitted to the Commerce Commissioner - that fee raises from \$15 to \$25.

Fees for issuing initial licenses to individual agents increase from \$25 to \$30; for issuing initial licenses to partnerships or corporations the fee increases from \$50 to \$100; and for issuing an amendment to a license the fee increases from \$25 to \$50. The fee for renewing an individual agent's license increases from \$25 to \$30 per year per license, and for renewing a license issued to a corporation or partnership the fee increases from \$50 to \$60 per year.

The fee for issuing or renewing a surplus lines agent's license increases from \$150 to \$250 per year.

The fee for issuing a duplicate license increases from \$5 to \$10; and for issuing license histories increases from \$10 to \$20.

Fees associated with the advisory task force for continuing education were increased: Applications for approval for individuals monitoring course offerings saw an increase in fees from \$50 to \$100, and the fee per course hour increased from \$5 to \$10.

Fees for insurance adjusters were increased. Licenses were increased from \$20 to \$40, and renewals from \$20 to \$25.

Other Licensees: Securities brokers pay a transfer fee to move between brokerages; this fee was increased from \$20 to \$25.

Real estate brokers and salespersons saw an increase in several fees. Initial brokers' licenses increased from \$50 to \$100, and renewals from \$25 to \$50. Salespersons' licenses increased from \$25 to \$50 and renewals from \$10 to \$25. Real estate closing agents' initial licenses increased from \$25 to \$55, and renewals from \$10 to \$30. Corporate or partnership licenses increased from \$50 to \$100, and renewals from \$25 to \$50.

Transfers were increased from \$10 to \$20 per transfer; corporate or partnership name changes were increased from \$25 to \$50; agent name changes were increased from \$5 to \$10; license histories were increased from \$10 to \$20; duplicate licenses were increased from \$5 to \$10. The fee for each hour of course approval sought will increase from \$5 to \$10.

New fees were created: \$50 for license reinstatement; \$20 for reactivating a corporate or partnership license without land; \$100 for course coordinator approval.

Real estate appraisers' licenses increased from \$50 to \$100, and renewals from \$25 to

\$50. Changes in name or address increased from \$5 to \$10; duplicate licenses from \$20 to \$25. New fees for real estate appraisers were created: \$100 for course coordinator approval; \$10 per credit hour of course approval sought.

The fee for recording notary commissions was set at \$25, of which \$20 is deposited in the general fund.

Liquor Licenses: Manufacturers' licenses were increased from \$7,500 to \$15,000. Brewers' licenses were increased from \$1,250 to \$2,500. Brewers who also hold a retail on-sale license and manufactured less than 2,000 barrels per year had their licenses increased from \$250 to \$500. Wholesalers' licenses were increased from \$7,500 to \$15,000 per year. Wholesalers of wines had licenses increased from \$750 to \$2,000. Wholesalers of intoxicating malt liquor saw licenses increase from \$300 to \$600, and duplicate licenses from \$15 to \$25. Wholesalers of nonintoxicating malt liquors had a fee created, of \$10.

Importers of distilled spirits had licenses increase from \$300 to \$420; importers of malt liquor saw licenses increase from \$200 to \$800.

Brand registration fees were increased from

\$20 to \$30, with a new fee for renewal of \$20 created.

Farm winery licenses were increased from \$25 to \$50. Sacramental wine licenses were increased from \$25 to \$50. Brokers' licenses increased from \$300 to \$600, and brokers' employees' licenses increased from \$12 to \$20.

Lake Superior Tour Boats and Common Carriers had intoxicating liquor licenses increase from \$100 to \$200, and duplicates from \$10 to \$20. Nonintoxicating liquor licenses for these boats increased from \$25 to \$50, with duplicates increasing from \$2 to \$20.

The fee for duplicate Sunday Sales licenses for common carriers increases from \$5 to \$20.

Unclaimed Funds: The period after which unclaimed banking and insurance funds are deemed unclaimed was changed in each instance from five to three years. Stocks and other intangible interests are unclaimed after three years, down from seven years in the past. A number of other property provisions were decreased, including property held by fiduciaries, state courts and public officers, and miscellaneous personal property held for another person.

Public Safety

Crime Bill

The 1992 Legislature passed the Omnibus Anti-Violence Act in a comprehensive effort to address both the immediate and the root causes of violence in society. It provides stiffer penalties for violent crimes, particularly sex crimes, while simultaneously addressing the

need for crime prevention and education. The \$12.5 million package passed by the Legislature appropriated over two dollars for crime prevention, education, and victim services for every dollar appropriated for court and corrections expenses.

Appropriations Public Safety

Omnibus Anti-Violence Legislation Appropriations by Department

Department	FY 1993
Corrections (Incarceration and Treatment)	\$ 2,497,000
Corrections (Victim Services)	1,400,000
Supreme Court	225,000
District Courts	500,000
Attorney General	75,000
Board of Public Defense	800,000
Human Services	1,500,000
Education	2,250,000
Public Safety	1,352,000
Higher Education Coordinating Board	150,000
Health	315,000
Jobs and Training	1,475,000
Total	\$12,539,000

The Legislature appropriated \$58,000 to the Department of Corrections for increased incarceration costs, \$340,000 for increased supervised release costs, \$2.1 million for sex offender treatment programs, and \$1.4 million for domestic abuse and victim services programs. Another \$1.6 million was appropriated for increased court costs. Appropriations for education and prevention programs were spread across six state agencies. Major appropriations include \$2 million to the Department of Education to expand the early childhood family education program and to develop and implement a K-12 anti-violence curriculum; \$1.5 million to Jobs and Training for the Head Start program and youth intervention and employment; \$1.2 million to the Department of Public Safety for chemical abuse prevention and crime victim reparations; \$1.5 million to the Department of Human Services for various youth

intervention programs and child safety centers; and \$300,000 to the Department of Health for the expansion of the public nurse home health visit program.

To offset the cost of the package, the Legislature raised \$5.9 million in new revenue. Approximately \$3.4 million will be raised through mandatory minimum fines on all persons convicted of crimes, and \$2.5 million will be raised by a five-dollar surcharge on all persons convicted of a petty misdemeanor other than a parking violation. Including the new revenue, the net cost of the legislation to the General Fund for fiscal year 1993 will be \$6.6 million.

Corrections

Chapter 513 provided almost \$3 million for the Department of Corrections. An appropriation of almost \$3.5 million and 14 new staff positions were approved for fiscal year 1993 to handle inmate population increases. This appropriation was contingent upon authorization by the Legislature and the Governor for the issuance of general obligation bonds to remodel space for an additional 160 inmates at the Fari-bault correctional facility. The Governor vetoed the bonding authority, so the appropriation for the additional correctional staff was not made available to the Department. A savings of \$1.5 million was realized by canceling Community Corrections Act appropriations money remaining for fiscal year 1992 back to the General Fund. A \$1 million appropriation was made available to operate a correctional "boot camp."

Governance

The 1992 session of the Legislature made a number of cuts and adjustments in the areas of governance and administration, including more than \$16 million in appropriation cancellations on the basis of mandated management practice changes to the Commissioners of Administration, Employee Relations and Finance, and the Governor's office.

The Commissioner of Administration was asked to achieve a cut of nearly \$4 million by rebating to departments of state government about \$2 million in excess earnings from plant management services and was asked to save another \$1.9 million by developing an aggressive freight managing program.

The Commissioner of Finance was asked to provide about \$1.7 million in cancellation savings by reducing Intertech service fees to eliminate excess revenues in the Intertech fund, and to save another \$1.7 million by reducing agency budgets to reflect lower rates for the Minnesota State Retirement System contributions.

The Commissioner of Employee Relations is expected to manage appropriation reductions of nearly \$9 million. Of that amount, about \$2.5 million would be saved by improved management of state employees' workers' compensation claims; adjustment of department budgets for \$576,000 savings of social security from

exempted payroll used for medical, dental and life insurance payments; and about \$5.5 billion by using a surplus in the state insurance trust fund to create premium holidays.

The other cancellation item was a \$365,000 cancellation to be allocated among the various departments by the Governor, to pay for staffing of the Governor's office. The Governor's office was allocated a \$260,000 cut. By using the \$365,000 of department cancellations, the Governor's office budget netted an actual budget increase of \$105,000.

Other governance cuts included:

- The Legislature reduced its own appropriation by \$3,464,000.
- The Attorney General's office general appropriation reduced by \$600,000, but received specific appropriations of \$503,000 to cover past litigation costs and \$50,000 to appeal a district court decision on the constitutionality of the state education aid system.
- The State Auditor's funds were cut \$30,000.
- The State Treasurer's funds were reduced \$63,000.

State Debt and Capital Expenditures

Capital Expenditures

The 1992 Legislature adopted a bonding and capital improvements budget totaling \$275 million. Approximately \$231.7 million of that amount was in bonding authority; the balance was in the form of direct appropriations from the General Fund, the maximum effort school loan fund, the state airports fund, the trunk highway fund, and the transportation fund.

The Governor vetoed the Department of Administration's authority to spend \$6.445 million. The bonds sold would have funded construction of an annex at the Rice County District Hospital and renovation of living units at the Faribault Correctional Facility. Noteworthy provisions include:

- The State University Board, rather than the Department of Administration, will oversee: (1) repairs to buildings and structures under the Board's control; (2) construction contracts for buildings and structures under the Board's control; and (3) the preparation of construction plans and specifications under the Board's control.
- The State Board for Community Colleges, rather than the Department of Administration, will oversee repairs to buildings and structures under the Board's control.

The following table delineates the specific appropriations for each project.

CAPITAL EXPENDITURES AUTHORIZED BY THE 1992 LEGISLATURE

Item	Bonding Amount	Project Amount
TECHNICAL COLLEGE SYSTEM	\$12,607,000	
Systemwide Capital Improvement		\$ 4,700,000
Brainerd		1,200,000
Duluth		680,000
Minneapolis		5,700,000
Red Wing		327,000
COMMUNITY COLLEGE SYSTEM	14,630,000	
Systemwide Capital Improvement		4,500,000
Austin		7,150,000
North Hennepin		2,980,000
STATE UNIVERSITY SYSTEM	12,870,000	
Systemwide Capital Improvement		4,500,000
Bemidji		100,000
Mankato		2,420,000
Metro		140,000
Moorhead		4,090,000
St. Cloud		290,000
Winona		870,000

Item	Bonding Amount	Project Amount
Systemwide Land Acquisition		460,000
UNIVERSITY OF MINNESOTA	61,900,000	
Systemwide Capital Improvement		9,200,000
Twin Cities		52,700,000
ELEMENTARY AND SECONDARY EDUCATION	13,606,000	
Minnesota Library for the Blind and Physically Handicapped		1,325,000
Hoffman Center		400,000
Cooperative Facilities Grants		5,881,000
School District Construction Grant		2,000,000
Capital Improvement		4,000,000
Desegregation Grants		
HUMAN SERVICES¹	21,960,000	
St. Peter Regional Treatment Center		8,100,000

State Debt and Capital Expenditures
Capital Expenditures

Item	Bonding Amount	Project Amount	Item	Bonding Amount	Project Amount
Brainerd Regional Treatment Center		210,000	Parks Trails		2,751,000
Cambridge Regional Human Services Center		250,000	State Fish Hatchery Improvement		1,000,000
Mental Health Units		13,400,000	Scientific and Natural Area Acquisition		1,250,000
CORRECTIONS ²	11,082,000		Underground Fuel Tank Replacement		100,000
MN Correctional Facility-Shakopee		10,900,000	State Park Acquisition		295,000
MN Correctional Facility-Lino Lakes		182,000	State Forest Acquisition		600,000
			Well Sealing		385,000
JOBS AND TRAINING	2,000,000		Critical Habitat Acquisition		250,000
HOUSING FINANCE AGENCY	3,000,000				1,250,000
ADMINISTRATION	24,343,000		BOARD OF WATER AND SOIL RESOURCES	1,250,000	
Capital Asset Pres. and Repairs		6,500,000	AGRICULTURE	365,000	
Centennial Parking Ramp Repair		1,200,000	POLLUTION CONTROL AGENCY	13,050,000	
Judicial Center		6,000,000	OFFICE OF WASTE MANAGEMENT	2,000,000	
Sewer Separation		5,900,000	MN ZOOLOGICAL GARDEN	1,820,000	
Land Acquisition		800,000			
Capitol Building		1,643,000	HISTORICAL SOCIETY	2,375,000	
Lake Superior Center Authority		2,000,000	State History Center		1,400,000
Lake Superior Zoological Gardens		300,000	Fort Snelling		375,000
			St. Anthony Falls		500,000
MILITARY AFFAIRS	2,400,000		Prairieland Exposition Center		100,000
TRADE AND ECONOMIC DEVELOPMENT	4,550,000				
Metropolitan Council		2,250,000	BOND SALE EXPENSES	260,000	
Roseville Multi-Use Facility		1,900,000			
National Sports Center		400,000	SUBTOTAL		\$ 225,250,000
PUBLIC FACILITIES AUTHORITY	7,500,000		CANCELLATION		(327,000)
NATURAL RESOURCES	11,682,000		TOTAL		\$ 224,923,000
Dam Repair and Replacement		1,570,000			
Flood Hazard Mitigation		500,000			
Field Offices Consolidation		1,731,000			

¹ Total includes reduction due to Governor's veto of \$2,145,000 for an annex to the Rice County Hospital.

² Total includes reduction due to Governor's veto of \$4,300,000 for the correctional facility in Faribault.

State Debt and Capital Expenditures
Capital Expenditures

NON-BONDED CAPITAL EXPENDITURES AUTHORIZED BY THE 1992 LEGISLATURE

Item	Funding Source	Project Amount	Item	Funding Source	Project Amount
HIGHER EDUCATION			Owatonna Radio and Bridge Shops Addition	Trunk Highway Fund	270,000
Interactive Television Project	General Fund	300,000	Roseau Truck Station Replacement	Trunk Highway Fund	520,000
ELEMENTARY AND SECONDARY EDUCATION			LeSueur Truck Station Replacement	Trunk Highway Fund	500,000
Grant County School Districts	General Fund	100,000	MN Road Research Project	Trunk Highway Fund	198,000
Maximum Effort School Loans	Maximum Effort School Loan Fund	12,130,000	Design Fees	Trunk Highway Fund	338,000
ADMINISTRATION			Land Acquisition	Trunk Highway Fund	125,000
Agency Relocation	General Fund	869,000	Plan For Facilities Study	Trunk Highway Fund	12,000
	Trunk Highway Fund	764,000	Storage Buildings	Trunk Highway Fund	300,000
Agency Location	General Fund	420,000	Asbestos Removal	Trunk Highway Fund	230,000
SCIENCE MUSEUM	General Fund	200,000	Recycling Center	Trunk Highway Fund	530,000
TRANSPORTATION			Remodeling	Trunk Highway Fund	75,000
Welding Shop Addition	Trunk Highway Fund	1,104,000	Luverne Truck Station Addition	Trunk Highway Fund	225,000
Various Locations			Worthington Truck Station Addition/Remodeling	Trunk Highway Fund	250,000
Replace/Add to	Trunk Highway Fund	560,000	Virginia Headquarters Addition	Trunk Highway Fund	325,000
Chemical Storage Sheds - Various Locations			Fergus Falls Truck Station Addition	Trunk Highway Fund	225,000
Equipment Storage Building	Trunk Highway Fund	430,000	Olivia Truck Station Addition	Trunk Highway Fund	140,000
Truck Station Addition	Trunk Highway Fund	450,000	St. Charles Truck Station Addition	Trunk Highway Fund	160,000
Facility Upgrade To Meet Code	Trunk Highway Fund	300,000	Nopeming Truck Station Addition	Trunk Highway Fund	132,000
Construction Road	Trunk Highway Fund	1,950,000	St. Paul Airport Hanger	State Airport Fund	2,000,000
Equipment Storage Building and Chemical/Cold Storage Structure			Local Road/Bridge Replacement/Rehab	Transportation Fund	17,500,000
			TOTAL		\$ 43,632,000

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State Appropriations

\$16,565,100,729

(All Funds Except General Dedicated Funds)

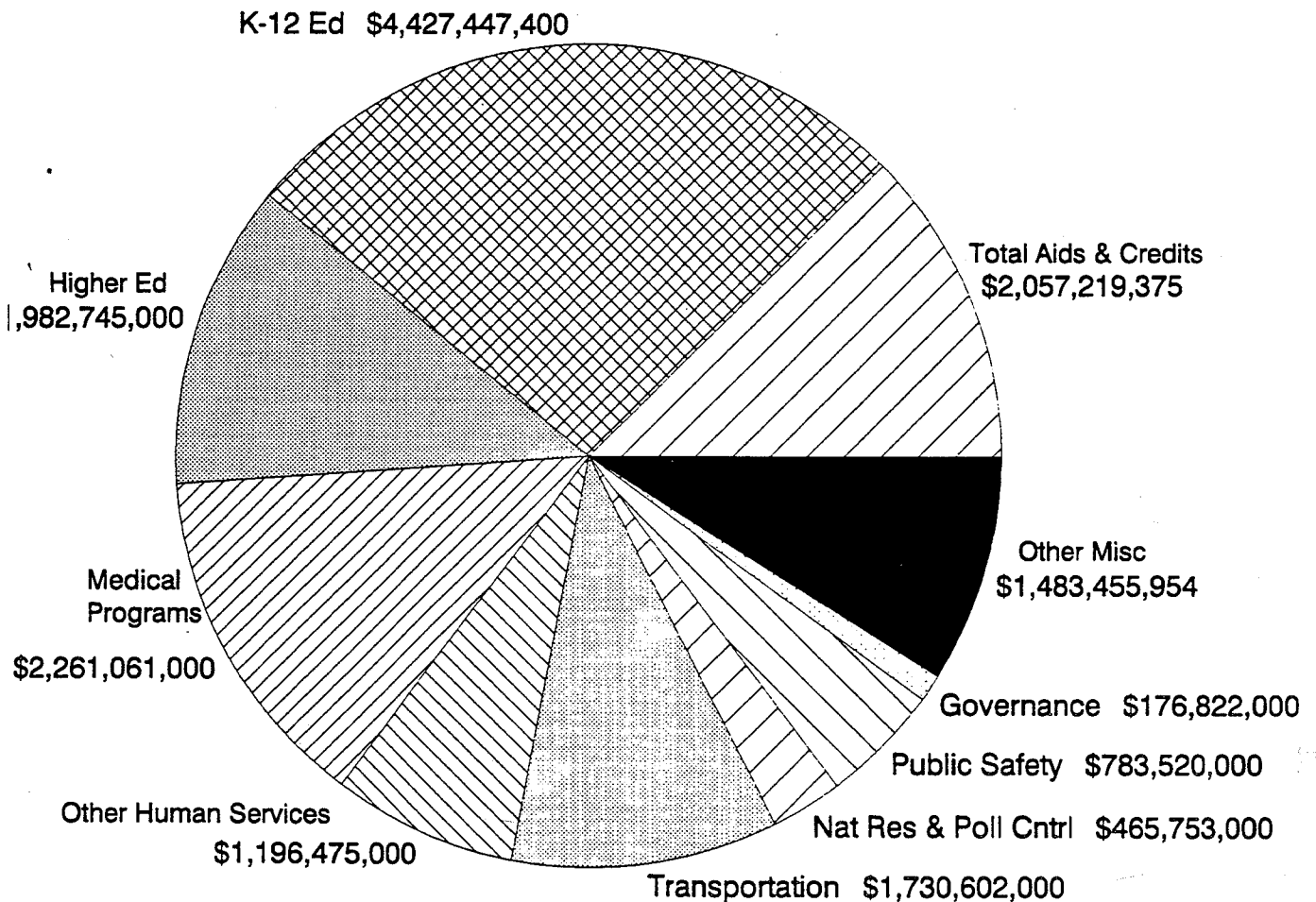


Table A

Summary of Biennial Appropriations by Fund
1991 and 1992 Sessions

Fund	1991-93	1992 Changes	New Totals
County-State Aid Highway	\$ 482,000,000		482,000,000
Environmental	40,202,000	2,099,000	42,301,000
Environmental Trust Fund	14,960,000		14,960,000
Game and Fish	100,342,000	94,000	100,436,000
General (1)	12,788,645,000	(119,272,271)	12,669,372,729
General Dedicated	1,264,508,000	(17,445,000)	1,247,063,000
Health Care Access		26,690,000	26,690,000
Highway User Tax Distribution	27,450,000		27,450,000
Local Government Trust Fund	1,488,860,000	(8,360,000)	1,480,500,000
Metro Landfill Contingency	4,188,000		4,188,000
Minnesota Resources	16,534,000	760,000	17,294,000
Mortgage Registry	109,084,000		109,084,000
Municipal-State Aid Street	133,000,000		133,000,000
Natural Resources	35,946,000	806,000	36,752,000
Permanent School	61,700,000		61,700,000
Special Revenue (2)	45,716,000	4,499,000	50,215,000
State Airports	31,887,000	2,010,000	33,897,000
State Lottery Fund (3)	89,806,000	(5,454,000)	84,352,000
Transportation Services	200,000		200,000
Trunk Highway	1,188,595,000	12,558,000	1,201,153,000
Workers' Compensation	31,990,000	5,693,000	37,683,000
Total State Appropriations	\$ 17,955,613,000	(95,322,271)	17,860,290,729
Indirect Cost Receipts	(18,000,000)	(3,165,000)	(21,165,000)
Federal Funds Appropriations (4)	5,134,001,000	(4,464,000)	5,129,537,000
Total Appropriations	\$ 23,071,614,000	(102,951,271)	22,968,662,729

NOTES:

- (1) The General fund balance was understated by \$59,595,000 in the 1991 edition of the Fiscal Review. The fund balance has been corrected in this edition.
- (2) The Special Revenue fund balance was in error by \$1,390,000 in the 1991 edition of the Fiscal Review. The balance has been corrected in this edition.
- (3) This item represents the statutory maximum of 15 percent of lottery gross revenues that may be annually credited to the lottery operations account. The 1992 Legislature reduced the maximum to 14.5 percent of lottery gross revenues effective in FY 1993.
- (4) The Federal fund balance was in error by \$60,000,000 in the 1991 edition of the Fiscal Review. The balance has been corrected in this edition.

Table B

General Fund Resources and Appropriations
1991-1993 Biennium
(dollars)

	1991-93
I. RESOURCES	
A. Balance Forward	\$ 554,876,000
B. Taxes and Receipts (before 1992 law changes)	
Individual Income Taxes	6,981,400,000
Corporate Franchise Tax	1,033,200,000
Sales Tax	3,173,050,000
Motor Vehicle Tax	385,400,000
Estate Tax	34,185,000
Liquor, Wine, Beer	110,051,000
Cigarette and Tobacco Products Tax	324,938,000
Taconite Occupation	4,500,000
Taconite Production	110,000
Deed and Mortgage Tax	113,600,000
Insurance Gross Premiums	261,500,000
Telephone, Telegraph, and Other Gross Earnings	25,007,000
Lawful Gambling Tax	111,545,000
Controlled Substance	1,164,000
Departmental Earnings	292,874,000
Investment Income	39,700,000
Income Tax Reciprocity	47,688,000
Lottery Proceeds	57,862,000
Other Non-dedicated Receipts	167,289,000
Total Taxes and Receipts	\$ 13,165,063,000
(before 1992 law changes)	
C. Revenue Refunds	
Individual Income Tax	(741,300,000)
Corporate Franchise Tax	(191,200,000)
Sales Tax	(49,138,000)
Other Refunds	(42,311,000)
Total Refunds	\$ (1,023,949,000)
D. Transfers From Other Funds	
Other Special Revenue Funds	7,969,000
All Other Transfers	19,863,000
New Legislation Transfers	60,600,000
Total Transfers	\$ 88,432,000

**Statistics
Table B**

	1991-93
E. Dedicated Revenues/Appropriations (Self-Cancelling)	
State University Board	205,389,000
State Community College System	114,924,000
Technical Colleges	134,100,000
University of Minnesota	317,958,000
Human Services County Reimbursement	164,272,000
Human Services Hospital Receipts (1)	310,420,000
All Other	74,000,000
Total Dedicated Revenues/Appropriations	\$ 1,321,063,000
F. Taxes and Receipts – 1992 Law Changes	
Individual Income Taxes	13,100,000
Corporate Franchise Tax	4,800,000
Sales Tax	45,500,000
Telephone, Telegraph, and Other Gross Earnings	1,800,000
Departmental Earnings	68,770,000
Investment Income	2,133,000
Other Income	2,699,000
Total Taxes and Receipts – Law Changes	\$ 138,802,000
G. Prior Year Adjustments	\$ 39,578,000
TOTAL REVENUES AND RECEIPTS	\$ 12,962,802,000
II. APPROPRIATIONS	
A. Major Spending Categories	
Elementary and Secondary Education	4,365,364,000
Higher Education	1,982,815,000
Human Services, Health, Corrections	3,594,216,000
Transportation and Semi-States	272,883,000
State Departments	717,700,000
Environment and Natural Resources	276,270,000
Other	(15,841,000)
Total Major Spending Categories	\$ 11,193,407,000
B. Open and Standing Appropriations	
Aids and Credits	1,015,706,000
Debt Service	410,310,000
Retirements	91,998,000
Other Open and Standing	46,642,000
Total Open and Standing Appropriations	\$ 1,564,656,000
TOTAL REVENUES AND RECEIPTS	12,962,802,000
TOTAL APPROPRIATIONS – GROSS	12,758,063,000
Less Cancellations	(20,000,000)

Statistics
Table B

		1991-93
TOTAL APPROPRIATIONS – NET	\$	12,738,063,000
Budget and Cash Flow Reserve		240,000,000
UNRESTRICTED BUDGETARY BALANCE	\$	(15,261,000)

NOTES:

(1) This item includes receipts from Medical Assistance State Operated Community Services.

Table C

Detailed Appropriations by Function - All Funds
1991-1993 Biennium with 1992 Session Changes

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Aids and Credits				
Homestead and Agricultural Credit				
Aid (HACA)				
School Districts	\$ 320,884,000	(222,000)		320,662,000
Cities, Towns, Counties	739,727,000	(23,565,000)		716,162,000
Subtotal HACA	1,060,611,000	(23,787,000)		1,036,824,000
Property Tax Refund				
Renters	163,682,000	343,000		164,025,000
Homeowners	80,025,000	17,176,000		97,201,000
Targeting	29,900,000	(245,000)		29,655,000
Political Contribution Refunds	10,400,000	(4,800,000)		5,600,000
Supplemental Homestead Property				
Tax Relief	1,838,000	49,000		1,887,000
Red Lake Watershed HACA Payment	186,000			186,000
Buffalo-Red River Watershed HACA Payment	154,000			154,000
Transition Credit (1)	108,000	52,000		160,000
Aid to Local Governments	567,498,000	(460,000)		567,038,000
Attached Machinery Aid				
School Districts	1,672,000			1,672,000
Cities, Towns, Counties	4,764,000			4,764,000
Payments in Lieu of Taxes - DNR Lands	9,000,000	252,000		9,252,000
Enterprise Zone Credit				
School Districts	84,000	224,000		308,000
Cities, Towns, Counties	1,160,000	(406,000)		754,000
Regional Transit Board Levy Reduction	5,338,000	561,000	(1,000,000)	4,899,000
Region 3 Occupation Tax Distribution	783,000	19,000		802,000
Equalization Aid	38,951,000	(46,000)		38,905,000
Disparity Aid				
School Districts	26,067,000	(473,000)		25,594,000
Cities, Towns, Counties	60,617,000	(832,000)		59,785,000
Border City Disparity Credit				
School Districts	2,329,000	(297,000)		2,032,000
Cities, Towns, Counties	3,072,000	167,000		3,239,000
Presidential Primary Reimbursement			2,483,375	2,483,375
Total Aids and Credits Category	2,068,239,000	(12,503,000)	1,483,375	2,057,219,375

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Elementary and Secondary Education				
Department of Education	\$ 45,194,000		(140,000)	45,054,000
Minnesota Center for Arts Education	10,121,000			10,121,000
General Education Aid (2)	3,350,783,000	15,766,000	(182,700,000)	3,183,849,000
Endowment Fund	60,500,000			60,500,000
Short-Term Borrowing Reimbursement Aid			300,000	300,000
Transportation Aid	239,473,000		(1,727,300)	237,745,700
Transportation Aid for				
Post-Secondary Enrollment Options	90,000			90,000
Transportation Aid for Enrollment Options	30,000			30,000
Special Programs				
Special Education Aid	349,911,000		(23,100)	349,887,900
Special Programs Equalization Aid	9,215,000		(1,000,000)	8,215,000
Limited English Proficiency Pupils				
Program Aid	7,847,000			7,847,000
Indian Education Programs	8,231,000			8,231,000
Secondary Vocational Handicapped	9,343,000			9,343,000
Assurance of Mastery	25,194,000		(13,300)	25,180,700
Individualized Learning and Development Aid	27,217,000		(472,000)	26,745,000
Secondary Vocational Education Aid	23,429,000			23,429,000
Community Living Programs				
for Disabled Youth	500,000			500,000
Lakeview Program Facilities Grant			25,000	25,000
Community and Adult Education				
Community Education Aid	7,100,000			7,100,000
Adult Education Programs	15,121,000		(200,000)	14,921,000
Early Childhood Family Education Aid	25,480,000			25,480,000
Way to Grow	950,000			950,000
Learning Readiness	8,000,000			8,000,000
Adult Handicapped Program Aid	1,480,000			1,480,000
Early Childhood Screening	3,096,000			3,096,000
Capital Expenditures				
Facilities and Equipment	218,874,000		(1,895,900)	216,978,100
Health and Safety	22,911,000		(1,350,000)	21,561,000
Maximum Effort Loan Fund	9,934,000	(2,634,000)	2,113,000	9,413,000
Debt Service Equalization Aid			3,000,000	3,000,000
District Organization				
Education District Aid	3,193,000			3,193,000
Cooperation and Combination Aid	6,475,000			6,475,000
Secondary Vocational Cooperative Aid	205,000		(6,700)	198,300
Grant County Cooperation and				
Combination Grants			100,000	100,000
Telecommunications Grant Carried Forward (3)			160,000	160,000
Educational Improvement				
Educational Effectiveness Programs	1,800,000		(30,000)	1,770,000
State Planning, Evaluation, and				
Reporting Assistance	1,202,000		(24,000)	1,178,000
Miscellaneous Educational Improvement	1,724,000		(10,000)	1,714,000
Minority Teacher Incentives	1,000,000			1,000,000
Area Learning Centers	300,000			300,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Restructuring and Outcome Based Education	\$ 1,350,000			1,350,000
Board of Teaching/Grants and Fellowships/Alternate Licensure	100,000			100,000
Other Education Aids				
Educational Cooperative Service Units	1,496,000		(15,000)	1,481,000
Educational Cooperative Service Unit Loans				
Management Information Centers	6,822,000		(136,000)	6,686,000
Abatement Aid	12,036,000			12,036,000
Integration Grants	31,688,000			31,688,000
Interdistrict Desegregation Grants	600,000			600,000
Library Grants	14,694,000			14,694,000
Nonpublic Pupil Aid	17,784,000		(172,300)	17,611,700
Alcohol-Impaired Driver Education and Chemical Abuse Prevention Grants	1,390,000			1,390,000
Tobacco Use Prevention	100,000			100,000
Grants for Science and Math			150,000	150,000
Advanced Placement and International Baccalureate Programs			300,000	300,000
Crime Bill			2,250,000	2,250,000
State Appropriations	4,595,833,000	13,132,000	(181,517,600)	4,427,447,400
Federal Appropriations	466,885,000			466,885,000
Total Elementary and Secondary Education Category	5,062,718,000	13,132,000	(181,517,600)	4,894,332,400
Higher Education				
Higher Education Coordinating Board				
Agency Administration	6,641,000			6,641,000
State Scholarships and Grants	158,693,000			158,693,000
Interstate Tuition	11,675,000			11,675,000
State Work Study	11,738,000			11,738,000
Minitex Library Program	2,416,000			2,416,000
Post High School Planning Program Cancellation			(70,000)	(70,000)
Crime Bill			150,000	150,000
Subtotal Higher Education Coordinating Board	191,163,000		80,000	191,243,000
Technical Colleges	330,527,000		(1,949,000)	328,578,000
Task Force on Education and Employment	40,000			40,000
Northwest Minnesota Interactive Television			300,000	300,000
Subtotal Technical Colleges	330,567,000		(1,649,000)	328,918,000
Community Colleges	200,133,000		5,703,000	205,836,000
Subtotal Community Colleges	200,133,000		5,703,000	205,836,000
State Universities	362,800,000		9,559,000	372,359,000
Subtotal State Universities	362,800,000		9,559,000	372,359,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
University of Minnesota				
Operations and Maintenance	\$ 736,042,000			736,042,000
Health Sciences	34,784,000			34,784,000
Institute of Technology	3,605,000		3,605,000	7,210,000
System Specials	19,602,000		19,602,000	39,204,000
Agriculture and Extension Service	89,186,000			89,186,000
Farmer-Lender Mediation Program	200,000			200,000
Red River Trade Corridor	50,000			50,000
Net Appropriations Carried Forward (3)			75,000	75,000
Base Reduction	(8,590,000)		(15,713,000)	(24,303,000)
Subtotal University of Minnesota	874,879,000		7,569,000	882,448,000
Mayo Medical Foundation	1,941,000			1,941,000
Higher Education Dedicated Appropriations				
Tuition and Fees				
University of Minnesota	321,000,000	(3,042,000)		317,958,000
State Universities	204,000,000	1,389,000		205,389,000
Technical Colleges	132,000,000	2,100,000		134,100,000
Community Colleges	116,000,000	(1,076,000)		114,924,000
Subtotal Dedicated Appropriations	773,000,000	(629,000)		772,371,000
State Appropriations	2,734,483,000	(629,000)	21,262,000	2,755,116,000
Federal Appropriations	63,700,000			63,700,000
Total Higher Education Category	2,798,183,000	(629,000)	21,262,000	2,818,816,000
Human Services				
Department of Human Services				
Administration - General	23,859,000		(6,269,000)	17,590,000
Legal and Intergovernmental Programs	8,691,000			8,691,000
Social Services	222,956,000	(4,299,000)	(781,000)	217,876,000
Family Support				
Aid to Families with Dependent Children, General Assistance, Work Readiness				
Minnesota Supplemental Aid	389,081,000	(14,128,000)	(3,771,000)	371,182,000
Aid to Families with Dependent Children Mortgage Registry Offset	109,084,000			109,084,000
County Family Support Aid (4)	114,300,000	(2,416,000)		111,884,000
Child Care Fund	49,994,000	(8,308,000)		41,686,000
Family Subsidy	2,888,000			2,888,000
County Income Maintenance Aids Growth			978,000	978,000
Health Care Programs				
Medical Care	1,657,493,000	14,857,000	25,237,000	1,697,587,000
County Medical Assistance Aid (4)	158,960,000	10,510,000		169,470,000
Preadmission Screening and Alternative Care	45,452,000	14,000	(32,000)	45,434,000
County Preadmission Screening Aid (4)	4,000,000	(630,000)		3,370,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Children's Health Plan \$	19,287,000		3,516,000	22,803,000
Administration — Family Support and Health Care Programs (5)	134,163,000		5,117,000	139,280,000
Mental Health (5)	56,078,000		50,000	56,128,000
Children's Mental Health	5,100,000			5,100,000
State Residential Facilities				
Regional Treatment Centers/ Nursing Homes (5)	454,777,000		(10,310,000)	444,467,000
Administration Activities	3,600,000			3,600,000
State Operated Community Services	16,980,000		(197,000)	16,783,000
SOCS Transition Unit	1,526,000		(665,000)	861,000
Federal Reimbursement	(58,826,000)	4,464,000		(54,362,000)
Compulsive Gambling Treatment Programs	1,200,000			1,200,000
TAP Special Revenue Appropriation			134,000	134,000
Crime Bill			1,500,000	1,500,000
Subtotal Non-Dedicated Appropriations	3,420,643,000	64,000	14,507,000	3,435,214,000
Dedicated Appropriations				
County Share of Medical Payments (6)	171,570,000	(7,298,000)		164,272,000
Hospital Revolving Account (7)	306,947,000	(2,325,000)	(4,547,000)	300,075,000
Miscellaneous	12,991,000	(2,646,000)		10,345,000
Subtotal Dedicated Appropriations	491,508,000	(12,269,000)	(4,547,000)	474,692,000
Subtotal Department of Human Services	3,912,151,000	(12,205,000)	9,960,000	3,909,906,000
Ombudsman for Mental Health and Retardation	2,064,000		(50,000)	2,014,000
Health Right Act				
Department of Commerce			809,000	809,000
Department of Health			3,005,000	3,005,000
Department of Human Services			13,371,000	13,371,000
Department of Employee Relations			1,679,000	1,679,000
Department of Revenue			917,000	917,000
Department of Administration			27,000	27,000
Higher Education Coordinating Board			189,000	189,000
University of Minnesota			2,200,000	2,200,000
Legislative Coordinating Commission			125,000	125,000
Subtotal Health Right Act			22,322,000	22,322,000
State Appropriations	3,914,215,000	(12,205,000)	32,232,000	3,934,242,000
Federal Appropriations	3,174,806,000	(4,464,000)		3,170,342,000
Total Human Services Category	7,089,021,000	(16,669,000)	32,232,000	7,104,584,000
Health				
Department of Health				
Preventive and Protective Health Services	32,574,000		1,384,000	33,958,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Health Delivery Systems	\$ 58,381,000		(1,165,000)	57,216,000
Health Support Services	8,269,000		(64,000)	8,205,000
Crime Bill			315,000	315,000
Expanded WIC Services	300,000			300,000
Base Reduction			(200,000)	(200,000)
Inhalants Education			5,000	5,000
Nursing Home Urinary Incontinence Study			50,000	50,000
Well and Borings Sealing			5,000	5,000
Appropriations Carried Forward (3)			1,089,000	1,089,000
Subtotal Department of Health	99,524,000		1,419,000	100,943,000
Regional Emergency Medical Services	1,800,000			1,800,000
Health-Related Boards	11,762,000		473,000	12,235,000
Deficiencies	46,000			46,000
Subtotal Health-Related Boards	11,808,000		473,000	12,281,000
State Appropriations	113,132,000		1,892,000	115,024,000
Federal Appropriations	119,456,000			119,456,000
Total Health Category	232,588,000		1,892,000	234,480,000
Veterans				
Veterans Affairs	5,825,000		110,000	5,935,000
Veterans Nursing Homes	49,740,000			49,740,000
Veterans Nursing Homes Board	953,000		(381,000)	572,000
Total Veterans Category	56,518,000		(271,000)	56,247,000
Transportation				
Highway Development				
State Road Construction	380,804,000		(6,500,000)	374,304,000
Highway Debt Service	30,958,000			30,958,000
Highway Operations				
Maintenance	288,977,000		2,000,000	290,977,000
Construction Engineering	134,238,000		6,500,000	140,738,000
Trunk Highway Facility Projects			9,349,000	9,349,000
Subtotal Highway Development and Operations	834,977,000		11,349,000	846,326,000
Transportation Aids to Local Governments				
County State Aids	482,000,000			482,000,000
Municipal State Aids	133,000,000			133,000,000
Subtotal Transportation Aids to Local Governments	615,000,000			615,000,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Technical Services				
Design Engineering	\$ 116,349,000			116,349,000
State Aid Technical Assistance	2,215,000			2,215,000
Electronic Communications	6,505,000			6,505,000
Subtotal Technical Services	125,069,000			125,069,000
Public Transit Assistance				
Greater Minnesota Transit Assistance	15,908,000		440,000	16,348,000
Metropolitan Transit Assistance				
Regional Transit Board	54,259,000		1,500,000	55,759,000
Transit Administration	1,310,000			1,310,000
Subtotal Public Transit Assistance	71,477,000		1,940,000	73,417,000
Program Management				
Highway Program Administration	4,291,000			4,291,000
Motor Carrier Administration	3,299,000		307,000	3,606,000
Railroads and Waterways	2,375,000			2,375,000
Transportation Data Analysis	6,801,000			6,801,000
Personal Transportation Services			24,000	24,000
Subtotal Program Management	16,766,000		331,000	17,097,000
General Support Services				
General Management	28,680,000			28,680,000
General Services	13,059,000			13,059,000
Equipment	34,395,000			34,395,000
Legal Services	2,232,000			2,232,000
Subtotal General Support Services	78,366,000			78,366,000
Railroad Crossings Study	60,000			60,000
Railroad Grade Crossings Inventory	100,000			100,000
Public Education Program	40,000			40,000
Hazardous Materials Transportation				
Registration			115,000	115,000
Aeronautics				
Administration	7,709,000			7,709,000
Airport Development and Assistance	23,537,000		10,000	23,547,000
Air Transportation Services	114,000			114,000
Civil Air Patrol	130,000			130,000
St. Paul Airport Hangar			2,000,000	2,000,000
Subtotal Aeronautics	31,490,000		2,010,000	33,500,000
Transportation Regulation Board	1,487,000		25,000	1,512,000
Federal Funds included in Highway Operations, Technical Services and Program Management	(60,000,000)			(60,000,000)
State Appropriations	1,714,832,000		15,770,000	1,730,602,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Federal Appropriations (8)	\$ 776,761,000			776,761,000
Total Transportation Category	2,491,593,000		15,770,000	2,507,363,000
Agriculture				
Department of Agriculture				
Protection Service	10,518,000		(282,000)	10,236,000
Promotion and Marketing	1,503,000		(91,000)	1,412,000
Family Farm Security	2,436,000		(57,000)	2,379,000
Administrative Support and Grants	11,221,000		173,000	11,394,000
Rural Finance Authority	330,000			330,000
Agricultural Development Bond Program	300,000			300,000
Agricultural Information Centers			50,000	50,000
Appropriations Carried Forward (3)			180,000	180,000
Base Reduction				
Subtotal Department of Agriculture	26,308,000		(27,000)	26,281,000
Board of Water and Soil Resources	16,096,000		(900,000)	15,196,000
Appropriations Carried Forward (3)			124,000	124,000
Subtotal Board of Water and Soil Resources	16,096,000		(776,000)	15,320,000
Board of Animal Health	4,165,000		10,000	4,175,000
Subtotal Board of Animal Health	4,165,000		10,000	4,175,000
Ethanol Producer Payments	9,000,000		(450,000)	8,550,000
State Appropriations	55,569,000		(1,243,000)	54,326,000
Federal Appropriations	2,733,000			2,733,000
Total Agriculture Category	58,302,000		(1,243,000)	57,059,000
Economic Development				
Department of Trade and Economic Development				
Business Development and Analysis	10,718,000		(612,000)	10,106,000
Tourism	16,546,000		(150,000)	16,396,000
Administration	4,304,000		(161,000)	4,143,000
Community Development	18,338,000		1,172,000	19,510,000
Minnesota Trade Office	4,247,000		(200,000)	4,047,000
Regional Parks Grants			2,356,000	2,356,000
Appropriations Carried Forward (3)			1,084,000	1,084,000
Base Cut	(709,000)		(832,000)	(1,541,000)
Transfers from State Planning Agency	6,984,000			6,984,000
World Trade Center Privatization			580,000	580,000
World Trade Center Base Reduction			(50,000)	(50,000)
Regional International Trade Service Center	50,000			50,000
Greater Minnesota Corporation	24,000,000		(7,851,000)	16,149,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Amateur Sports Commission	\$ 893,000			893,000
State Appropriations	85,371,000		(4,664,000)	80,707,000
Federal Appropriations	38,880,000			38,880,000
Total Economic Development Category	124,251,000		(4,664,000)	119,587,000
Housing				
Housing Finance Agency	28,318,000		250,000	28,568,000
Total Housing Category	28,318,000		250,000	28,568,000
Natural Resources				
Department of Natural Resources				
Administrative Management Services	13,192,000		149,000	13,341,000
Regional Operations Support	10,257,000		(311,000)	9,946,000
Field Operations Support	22,999,000		(591,000)	22,408,000
Water Resources Management	16,596,000		(750,000)	15,846,000
Mineral Resources Management	10,567,000		(541,000)	10,026,000
Forest Management	46,416,000		(161,000)	46,255,000
Fish and Wildlife Management	71,976,000		(65,000)	71,911,000
Parks and Recreation Management	39,642,000		(205,000)	39,437,000
Enforcement	28,965,000			28,965,000
Trails and Waterways	22,088,000		(12,000)	22,076,000
Special Services and Programs	11,734,000		(380,000)	11,354,000
Leech Lake and White Earth Reservation	2,590,000	159,000		2,749,000
1854 Indian Treaty Settlement	5,500,000	(42,000)		5,458,000
Firefighting	9,600,000	(3,300,000)		6,300,000
Field Citation Pilot Project	200,000			200,000
Nuisance Exotic Aquatic Species			219,000	219,000
Nongame Checkoff	2,350,000	(100,000)		2,250,000
Base Reduction	(1,020,000)			(1,020,000)
Subtotal Department of Natural Resources	313,652,000	(3,283,000)	(2,648,000)	307,721,000
Zoological Board	17,797,000		(3,202,000)	14,595,000
Subtotal Zoological Board	17,797,000		(3,202,000)	14,595,000
Minnesota-Wisconsin Boundary Area Commission	254,000			254,000
Voyageurs National Park Citizens Committee	160,000		(18,000)	142,000
Wetlands Conservation				
Board of Water and Soil Conservation	2,022,500			2,022,500
Department of Natural Resources	977,500		(530,000)	447,500
Attorney General	154,000			154,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Subtotal Wetlands Conservation	\$ 3,154,000		(530,000)	2,624,000
Minnesota Resources				
Department of Natural Resources	11,946,000		760,000	12,706,000
Pollution Control Agency	2,102,000			2,102,000
State Planning	3,056,000			3,056,000
Department of Agriculture	1,380,000			1,380,000
University of Minnesota	5,705,000			5,705,000
Minnesota Historical Society	510,000			510,000
Legislative Commission on Minnesota Resources	850,000			850,000
Science Museum of Minnesota	400,000			400,000
Department of Education	850,000			850,000
Department of Administration	3,500,000			3,500,000
Environmental Quality Board	400,000			400,000
Office of Waste Management	235,000			235,000
Water and Soil Resources Board	2,060,000			2,060,000
General Reduction	2,000,000			2,000,000
Subtotal Minnesota Future Resources	34,994,000		760,000	35,754,000
State Appropriations	370,011,000	(3,283,000)	(5,638,000)	361,090,000
Federal Appropriations	6,766,000			6,766,000
Total Natural Resources Category	376,777,000	(3,283,000)	(5,638,000)	367,856,000
Pollution Control				
Pollution Control Agency				
Water Pollution Control	12,750,000		(332,000)	12,418,000
Air Pollution Control	10,492,000			10,492,000
Groundwater and Solid Waste Pollution Control	19,404,000		917,000	20,321,000
Hazardous Waste Pollution Control	10,088,000		(325,000)	9,763,000
Hazardous Waste Pollution Control Reduction	(250,000)	125,000		(125,000)
General Support	8,399,000		(210,000)	8,189,000
Regional Support	104,000			104,000
Hazardous Substances - Voluntary Response			545,000	545,000
Environmental Enforcement	890,000			890,000
Appropriations Carried Forward (3)			98,000	98,000
Base Reduction	(340,000)			(340,000)
Hopkins Landfill Cleanup	1,300,000			1,300,000
Subtotal Pollution Control Agency	62,837,000	125,000	693,000	63,655,000
Office of Waste Management	13,042,000		(396,000)	12,646,000
Subtotal Office of Waste Management	13,042,000		(396,000)	12,646,000
Recycling				
Office of Waste Management	250,000			250,000
Department of Administration	96,000			96,000

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	1991-1993 Biennium	Estimate Changes	Law Changes	Total
SCORE County Block Grants	\$ 28,016,000			28,016,000
Subtotal Recycling	28,362,000			28,362,000
State Appropriations	104,241,000	125,000	297,000	104,663,000
Federal Appropriations	46,506,000			46,506,000
Total Pollution Control Category	150,747,000	125,000	297,000	151,169,000
Protection of Workers				
Department of Labor and Industry				
Workers Compensation Regulation and Enforcement	15,213,000			15,213,000
Workplace Regulation and Enforcement	8,278,000		170,000	8,448,000
General Support	9,527,000		(40,000)	9,487,000
*Safety Program Grants			775,000	775,000
Workers Compensation Vocational Rehabilitation Services (9)			3,141,000	3,141,000
Workers Compensation Reform			1,644,000	1,644,000
Subtotal Department of Labor and Industry	33,018,000		5,690,000	38,708,000
Workers Compensation Court of Appeals	2,647,000			2,647,000
Mediation Services	3,709,000			3,709,000
Department of Jobs and Training				
Employment and Training	9,243,000			9,243,000
Economic Opportunity Office	17,076,000		1,000,000	18,076,000
Rehabilitation Services (9)	37,446,000		(2,716,000)	34,730,000
Services for the Blind	7,262,000			7,262,000
Low Income Energy Efficiency			827,000	827,000
Vineland Program			75,000	75,000
Appropriations Carried Forward			75,000	75,000
Crime Bill			1,475,000	1,475,000
Food Banks Program	800,000			800,000
Subtotal Department of Jobs and Training	71,827,000		736,000	72,563,000
State Appropriations	111,201,000		6,426,000	117,627,000
Federal Appropriations	423,159,000			423,159,000
Total Protection of Workers Category	534,360,000		6,426,000	540,786,000
Public Employees				
Department of Employee Relations				
Administration	5,167,000			5,167,000
Labor Relations	1,045,000			1,045,000

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Equal Opportunity	\$ 629,000			629,000
Staffing and Compensation	6,110,000			6,110,000
Safety and Workers' Compensation	4,789,000			4,789,000
Training and Development	1,163,000			1,163,000
Base Cut	(176,000)		(269,000)	(445,000)
Base Reduction	(973,000)			(973,000)
Subtotal Department of Employee Relation	17,754,000		(269,000)	17,485,000
Retirement				
Minneapolis Employees Retirement Fund	20,910,000			20,910,000
Pre-1973 Retirement Adjustment	1,100,000			1,100,000
Local Police and Fire Amortization Aid	12,110,000		(1,625,000)	10,485,000
Aid to Police and Fire Departments	77,562,000	7,315,000	200,000	85,077,000
Legislators' Retirement	5,000,000	(894,000)		4,106,000
Judges' Retirement (10)	9,997,000		2,815,000	12,812,000
Constitutional Officers' Retirement	420,000	(49,000)		371,000
Subtotal Retirement	127,099,000	6,372,000	1,390,000	134,861,000
Total Public Employees Category	144,853,000	6,372,000	1,121,000	152,346,000
Industry Regulation				
Department of Commerce				
Financial Examinations	10,502,000			10,502,000
Registration and Analysis	4,007,000		275,000	4,282,000
Administrative Services	3,586,000			3,586,000
Enforcement and Licensing	6,607,000			6,607,000
Petroleum Tank Release Cleanup Board	444,000			444,000
Residential Contractors Licensing	912,000			912,000
Reinsurance	1,718,000			1,718,000
Subtotal Department of Commerce	27,776,000		275,000	28,051,000
Nonhealth-Related Boards	1,298,000		24,000	1,322,000
Public Utilities Commission	4,886,000			4,886,000
Subtotal Public Utilities Commission	4,886,000			4,886,000
Public Service	15,194,000		114,000	15,308,000
Energy Conservation Programs Study	80,000			80,000
Subtotal Department of Public Service	15,274,000		114,000	15,388,000
Department of Gaming	10,000			10,000
Subtotal Department of Gaming	10,000			10,000
State Lottery Board (11)	89,806,000	(3,957,000)	(1,497,000)	84,352,000
Lawful Gambling Control Board	3,858,000			3,858,000
Racing Commission	2,104,000			2,104,000
Teleracing Facilities Licensing	234,000			234,000

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Subtotal Racing Commission	\$ 2,338,000			2,338,000
Gambling Enforcement—Public Safety	2,440,000		(130,000)	2,310,000
State Appropriations	147,686,000	(3,957,000)	(1,214,000)	142,515,000
Federal Appropriations	970,000			970,000
Total Industry Regulation Category	148,656,000	(3,957,000)	(1,214,000)	143,485,000

Public Safety

Department of Public Safety

Administration and Related Services	9,762,000			9,762,000
Emergency Management	2,936,000		142,000	3,078,000
Emergency Response Commission	807,000		(218,000)	589,000
Criminal Apprehension	31,255,000		(1,090,000)	30,165,000
Fire Marshal	4,546,000		(76,000)	4,470,000
State Patrol	83,237,000		(56,000)	83,181,000
Capitol Security	2,677,000		(75,000)	2,602,000
Driver and Vehicle Licensing	65,471,000		(698,000)	64,773,000
Liquor Control	1,520,000		(110,000)	1,410,000
Drug Policy	117,400		(30,000)	1,144,000
Pipeline Safety	1,776,000			1,776,000
Commission on Confinement and Treatment of DWI Recidivists			23,000	23,000
DWI Repeat Offender Program Grants			500,000	500,000
Crime Victims Reparations Board	3,207,000			3,207,000
Crime Victims Ombudsman	143,000			143,000
Children's Trust Fund	1,040,000			1,040,000
Private Detective and Protective Agency Licensing Board	135,000		(3,000)	132,000
Transfer to Trunk Highway Fund	3,506,000			3,506,000
Transfer to General Fund	2,052,000			2,052,000
Sex Offender/Missing Children Bill	314,000			314,000
DARE	145,000			145,000
Traffic Safety	480,000			480,000
Traffic Safety Education	200,000			200,000
Mandatory Vehicle Insurance			66,000	66,000
Fire Protection Industry Licensing			147,000	147,000
Hazardous Materials Incident Response			1,128,000	1,128,000
Crime Bill			1,352,000	1,352,000
Appropriations Carried Forward (3)			32,000	32,000
Base Reduction			(74,000)	(74,000)
Subtotal Department of Public Safety	216,383,000		960,000	217,343,000

Department of Corrections

Management Services	20,739,000			20,739,000
Community Services	80,372,000		(1,500,000)	78,872,000
Correctional Institutions	229,924,000		4,450,000	234,374,000

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Crime Bill	\$		3,897,000	3,897,000
Appropriations Carried Forward (3)			5,745,000	5,745,000
Board of Pardons Computerized Records			10,000	10,000
Subtotal Department of Corrections	331,035,000		12,602,000	343,637,000
Sentencing Guidelines Commission	502,000			502,000
Corrections Ombudsman	860,000			860,000
Board of Peace Officers Standards and Training	6,965,000		518,000	7,483,000
Military Affairs				
Maintenance of Training Facilities	12,220,000			12,220,000
General Support	3,523,000			3,523,000
Enlistment Incentives	4,700,000			4,700,000
Base Cut	(203,000)		(300,000)	(503,000)
Appropriations Carried Forward (3)			780,000	780,000
National Guard Armories Reduction			(784,000)	(784,000)
Subtotal Department of Military Affairs	20,240,000		(304,000)	19,936,000
State Appropriations	575,985,000		13,776,000	589,761,000
Federal Appropriations	58,184,000			58,184,000
Total Public Safety Category	634,169,000		13,776,000	647,945,000
Governance				
Legislature				
Senate	32,451,000			32,451,000
House	43,425,000			43,425,000
Legislative Coordinating Commission	14,633,000			14,633,000
Legislative Audit Commission	7,671,000			7,671,000
Commission on Confinement and Treatment of DWI Recidivists			15,000	15,000
Hearing Impaired Access	30,000			30,000
Appropriations Carried Forward (3)			3,777,000	3,777,000
Base Reduction	(979,000)		(3,564,000)	(4,543,000)
Subtotal Legislature	97,231,000		228,000	97,459,000
Courts				
Supreme Court				
Operations	7,776,000		50,000	7,826,000
State Court Administrator	15,292,000			15,292,000
State Law Library	3,333,000			3,333,000
Low Income and Family Farm Legal Assistance	4,228,000			4,228,000
Base Cut	(308,000)		(80,000)	(388,000)
Divorce Education Program	30,000			30,000

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Family Law Legal Assistance	\$ 1,780,000			1,780,000
Anoka County Alternative Dispute Resolution			5,000	5,000
Legal Services Increase			625,000	625,000
Appropriations Carried Forward (3)			24,000	24,000
Court of Appeals	11,413,000		(28,000)	11,385,000
District Courts	96,313,000		(67,000)	96,246,000
Board on Judicial Standards	342,000		10,000	352,000
Board of Public Defense	5,049,000		1,100,000	6,149,000
State Public Defender	4,096,000			4,096,000
District Public Defense	36,492,000			36,492,000
Base Cut	(416,000)		(240,000)	(656,000)
Other Legal Boards	5,081,000			5,081,000
Crime Bill			725,000	725,000
Tax Court	1,134,000			1,134,000
Subtotal Courts	191,635,000		2,124,000	193,759,000
Constitutional Officers				
Governor and Lieutenant Governor	6,795,000		608,000	7,403,000
Secretary of State				
Elections and Publications	1,583,000			1,583,000
Uniform Commercial Code	441,000			441,000
Business Services	1,446,000			1,446,000
Administration	915,000			915,000
Fiscal Operations	424,000			424,000
Data Services	456,000			456,000
Network Operations Voter Registration	1,544,000			1,544,000
Reports Renewals Registration	985,000			985,000
Network Operations Uniform				
Commercial Code	2119000			2,119,000
Base Reduction			(248,000)	(248,000)
Campaign Finance	14,000			14,000
Computerized Farm Products Filing System			357,000	357,000
Subtotal Secretary of State	9,927,000		109,000	10,036,000
State Auditor	13,026,000		(30,000)	12,996,000
State Treasurer	2,441,000		(63,000)	2,378,000
Subtotal State Treasurer	2,441,000		(63,000)	2,378,000
Attorney General				
Government Services	8,393,000			8,393,000
Public Resources	5,636,000			5,636,000
Human Resources	3,105,000			3,105,000
Legal Policy and Administration	5,494,000			5,494,000
Law Enforcement	8,613,000			8,613,000
Business Regulation	8,667,000			8,667,000
Skeen versus State of Minnesota Appeal			50,000	50,000
Residential Contractors Licensing	216,000			216,000
Base Cut	(397,000)		(600,000)	(997,000)

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Solicitor General	\$ 2,998,000			2,998,000
Crime Bill			75,000	75,000
Reinsurance	200,000			200,000
Environmental Enforcement	238,000			238,000
Subtotal Attorney General	43,163,000		(475,000)	42,688,000
Investment Board	3,882,000		(20,000)	3,862,000
Subtotal Constitutional Officers	79,234,000		129,000	79,363,000
State Appropriations	368,100,000		2,481,000	370,581,000
Federal Appropriations	1,858,000			1,858,000
Total Governance Category	369,958,000		2,481,000	372,439,000
Other Departments, Boards, and Commissions				
Office of Administrative Hearings	7,075,000			7,075,000
Department of Administration				
Operations Management	9,278,000			9,278,000
Information Management	16,385,000			16,385,000
Property Management	31,736,000			31,736,000
Administrative Management	5,680,000		120,000	5,800,000
Management Analysis	1,180,000			1,180,000
Information Policy Office	3,390,000		350,000	3,740,000
Grants to Public Television and Radio			1,238,000	1,238,000
Base Cut	(414,000)		(817,000)	(1,231,000)
STARS Pilot Project			200,000	200,000
State Agency Relocation Project			2,053,000	2,053,000
Freight Expense Reduction System			85,000	85,000
CORE	500,000		800,000	1,300,000
Transfers from State Planning Agency	4,434,000			4,434,000
Subtotal Department of Administration	72,169,000		4,029,000	76,198,000
Capitol Area Architectural and Planning Board	472,000		17,000	489,000
Department of Finance	18,084,000		2,272,000	20,356,000
Base Cut	(178,000)		(352,000)	(530,000)
Transfer to Department of Agriculture (RFA)	(330,000)			(330,000)
Local Government Trust Fund Administration	200,000			200,000
Subtotal Department of Finance	17,776,000		1,920,000	19,696,000
Department of Revenue				
Revenue Administration	43,273,000			43,273,000
Tax Policy	8,091,000			8,091,000
Property and Special Taxes	20,167,000			20,167,000
Customer Service and Information	26,980,000			26,980,000
Tax Compliance	45,304,000			45,304,000

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Local Sales Tax Administration	\$		220,000	220,000
Open and Standing	2,200,000			2,200,000
Income Tax Sample	76,000		75,000	151,000
Local Government Trust Fund Administration	1,512,000		(100,000)	1,412,000
General Administration	949,000			949,000
Financial Transaction Fees			216,000	216,000
Appropriations Carried Forward (3)			40,000	40,000
Base Cut	(1,402,000)		(1,160,000)	(2,562,000)
Subtotal Department of Revenue	147,150,000		(709,000)	146,441,000
Office of Strategic and Long Range Planning	5,974,000		(60,000)	5,914,000
Advisory Commission On Intergovernmental Relations	50,000			50,000
Ethical Practices Board	691,000			691,000
Subtotal Ethical Practices Board	691,000			691,000
Human Rights	6,383,000		(32,000)	6,351,000
Indian Affairs Council	899,000			899,000
Council on Affairs of Spanish-Speaking People	433,000			433,000
Council on Black Minnesotans	395,000			395,000
Council on Asian-Pacific Minnesotans	344,000			344,000
Council on People with Disabilities	1,151,000			1,151,000
Minnesota Municipal Board	561,000			561,000
Uniform Laws Commission	43,000			43,000
Minnesota Historical Society	25,429,000		(70,000)	25,359,000
Board of the Arts	8,036,000		(55,000)	7,981,000
Minnesota Humanities Commission	494,000		(10,000)	484,000
Board of Architecture	912,000		123,000	1,035,000
Minnesota Horticultural Society	143,000			143,000
Minnesota Academy of Science	68,000			68,000
Science Museum of Minnesota	2,276,000		140,000	2,416,000
Minnesota Safety Council	142,000			142,000
Veterans of Foreign Wars	62,000			62,000

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
Disabled American Veterans	\$ 25,000			25,000
Military Order of the Purple Heart	20,000			20,000
State Appropriations	299,173,000		5,293,000	304,466,000
Federal Appropriations	12,163,000			12,163,000
Total Other Departments, Boards, and Commissions Category	311,336,000		5,293,000	316,629,000
Direct Capital Appropriations and Debt Service				
Debt Service	391,926,000	28,405,000	(10,021,000)	410,310,000
Total Direct Capital Appropriations and Debt Service Category	391,926,000	28,405,000	(10,021,000)	410,310,000
Miscellaneous				
General Contingent Accounts				
General Fund	2,000,000		440,000	2,440,000
Trunk Highway Fund	400,000			400,000
Highway User Tax Distribution Fund	250,000			250,000
Special Revenue	500,000			500,000
Workers Compensation	200,000			200,000
Subtotal General Contingent Accounts	3,350,000		440,000	3,790,000
Tort Claims	1,806,000			1,806,000
Campaign Fund Checkoff	4,320,000	(50,000)		4,270,000
Claims Against the State	155,000		84,954	239,954
Arbitrage Rebate	2,196,000			2,196,000
Transfer of Lands	20,000			20,000
Debt Paying Agent Fees	80,000			80,000
Loans to Revolving Fund	4,000,000	2,303,000		6,303,000
Indirect Costs - Public Finance Funds			(114,000)	(114,000)
Appropriations Carried Forward (3)			715,000	715,000
Total Miscellaneous Category	15,927,000	2,253,000	1,125,954	19,305,954

Statistics
Table C

	1991-1993 Biennium	Estimate Changes	Law Changes	Total
State Appropriations - Gross	\$ 17,895,613,000	17,710,000	(101,159,271)	17,812,163,729
Indirect Cost Receipts	(18,000,000)	(3,165,000)		(21,165,000)
Cancellations (12)			(16,241,000)	(16,241,000)
State Appropriations - Net	17,877,613,000	14,545,000	(117,400,271)	17,774,757,729
Federal Funds Appropriations	5,192,827,000	(4,464,000)		5,188,363,000
Total Appropriations	23,070,440,000	10,081,000	(117,400,271)	22,963,120,729
Budget and Cash Flow Reserve	400,000,000		(160,000,000)	240,000,000

NOTES:

- (1) The Transition Credit was formerly called the Homestead and Agricultural Credit Guarantee.
- (2) The general education aid appropriation for the 1991-1993 biennium in the 1991 session edition of the Fiscal Review erroneously included \$1,390,000 from the Special Revenue Fund already accounted for in the line item for Alcohol-Impaired Driver Education and Chemical Abuse Prevention Grants. The 1991-1993 biennium general education aid appropriation is reduced by that amount here.
- (3) Appropriations carried forward are unused funds appropriated in a previous biennium that did not cancel but were carried forward into the current biennium by law.
- (4) These are open and standing aid appropriations to counties for reimbursement of Human Services costs.
- (5) Three line item vetoes of the human services bill made during the 1991 legislative session that were omitted in the 1991 edition of the Fiscal Review are included here. The vetos eliminated \$80,000 for a health insurance program in Northeastern Minnesota, \$75,000 for a mental health pilot project in Dakota County, and \$250,000 for a lease start-up program for state residential facilities.
- (6) These are payments made by counties which are reimbursed by the state by other appropriations in this table.
- (7) This item is a duplicated appropriation that is already accounted for in the state hospital appropriations. It accounts for transferring obligations of the state for medical care patients at state institutions back into the medical assistance pipeline without double-counting it as a nondedicated appropriation.
- (8) The 1991-1993 biennium federal appropriation for Transportation in the 1991 edition of the Fiscal Review omitted \$60 million in Trunk Highway federal aids. The federal appropriation has been increased by that amount here.
- (9) The 1991 Legislature transferred the Workers' Compensation Vocational Rehabilitation Services Unit from the Rehabilitation Services Division of the Department of Jobs and Training to the Department of Labor and Industry. The 1992 Legislature transferred funding for the program from the General Fund to the Workers' Compensation Fund.
- (10) The portion of this item that is directly appropriated is included in the appropriation for District Courts by the Department of Finance. That amount has been subtracted from the District Courts' appropriation and included here.
- (11) This item represents the statutory maximum of 15 percent of lottery gross revenues in fiscal year 1992 and 14.5 percent of lottery gross revenues in fiscal year 1993 that may be annually credited to the lottery operations account.
- (12) The following cancellations were included here because they are program savings required by statute:

Department of Administration Freight Expense Reductions	(\$1,901,000)
Department of Administration Intertech Rebates	(\$2,000,000)
Department of Administration Plant Management Retained Earnings	(\$1,000,000)
Department of Employee Relations Workers' Compensation Case Management	(\$1,572,000)
Department of Employee Relations Pretax FICA and Medicare Savings	(\$576,000)
Department of Employee Relations Insurance Premiums Savings	(\$5,523,000)
Department of Employee Relations Prior Injuries and Illnesses	(\$1,173,000)
Minnesota State Retirement System Contribution Rate Reduction	(\$1,731,000)
Governor's Office Employees Costs	(\$365,000)

Statistics
Table D

Table D

Direct Appropriations
by Fund, by Chapter

Chapter	Fund	FY 1992	FY 1993	Biennial Total
General Fund				
360	Appropriations - University of Minnesota	\$	23,207,000	23,207,000
499	K - 12 Education Bill	(3,203,500)	(180,824,100)	(184,027,600)
508	Fire Protection		147,000	147,000
511	Tax Bill		(46,729,625)	(46,729,625)
513	Article 1 Higher Education	15,000	(29,015,000)	(29,000,000)
	Article 2 Environment and Natural Resources	(4,734,000)	(6,382,000)	(11,116,000)
	Article 3 Infrastructure and Regulation	(3,112,000)	(11,255,000)	(14,367,000)
	Article 4 State Departments	(1,611,000)	(806,000)	(2,417,000)
	Article 5 Human Development	(1,799,000)	3,802,000	2,003,000
525	Farm Products		357,000	357,000
530	Volunteer Firefighter Benefits		395,000	395,000
541	Claims		84,954	84,954
558	Capitol Building		1,889,000	1,889,000
567	Board of Judicial Standards		10,000	10,000
569	Correction Records		10,000	10,000
570	Driving Under the Influence		515,000	515,000
571	Crime Bill		12,539,000	12,539,000
593	Waste Management		1,243,000	1,243,000
597	Energy Efficiency		827,000	827,000
602	Dairy Products Improvement		50,000	50,000
603	Local Sales Tax Administration		220,000	220,000
	Total General	\$ (14,444,500)	(229,715,771)	(244,160,271)
Local Government Trust Fund				
511	Tax Bill		51,816,000	51,816,000
	Total Local Government Trust Fund	\$	51,816,000	51,816,000
Health Care Access Fund				
549	Health Right	616,000	26,074,000	26,690,000
	Total Health Care Access Fund	\$ 616,000	26,074,000	26,690,000

**Statistics
Table D**

Chapter	Fund	FY 1992	FY 1993	Biennial Total
Special Revenue Fund				
513	Article 1 Higher Education	(70,000)		(70,000)
	Article 3 Infrastructure and Regulation		4,151,000	4,151,000
	Article 5 Human Development	63,000	755,000	818,000
	Total Special Revenue Fund	\$ (7,000)	4,906,000	4,899,000
Trunk Highway Fund				
513	Article 3 Infrastructure and Regulation	2,000,000		2,000,000
558	Capitol Building		10,113,000	10,113,000
570	Driving Under the Influence		23,000	23,000
571	Crime Bill		66,000	66,000
578	Transportation Services		24,000	24,000
600	Motor Carriers		332,000	332,000
	Total Trunk Highway Fund	\$ 2,000,000	10,558,000	12,558,000
Environmental Fund				
512	Hazardous Substances		545,000	545,000
513	Article 2 Environment and Natural Resources	50,000	1,499,000	1,549,000
544	Nitrate Pollution		5,000	5,000
	Total Environmental Fund	\$ 50,000	2,049,000	2,099,000
Airport Fund				
513	Article 3 Infrastructure and Regulation		10,000	10,000
558	Capitol Building		2,000,000	2,000,000
	Total Airport Fund	\$	2,010,000	2,010,000
Minnesota Resources Fund				
513	Article 2 Environment and Natural Resources	760,000		760,000
	Total Minnesota Resources Fund	\$ 760,000		760,000
Workers' Compensation Fund				
513	Article 3 Infrastructure and Regulation		3,274,000	3,274,000
599	Workers' Compensation Bill		1,644,000	1,644,000
	Total Workers' Compensation Fund	\$	4,918,000	4,918,000

Statistics
Table D

Chapter	Fund	FY 1992	FY 1993	Biennial Total	
Natural Resources Fund					
513	Article 2	Environment and Natural Resources	306,000	281,000	587,000
594		Exotic Species		219,000	219,000
Total Natural Resources Fund		\$ 306,000	500,000	806,000	
Game and Fish Fund					
513	Article 2	Environment and Natural Resources	42,000	52,000	94,000
Total Game and Fish Fund		\$ 42,000	52,000	94,000	
Grand Total		\$ (10,677,500)	(126,832,771)	(137,510,271)	

Table E

Open and Standing Appropriations
Fiscal Years 1992 and 1993

	FY 1992	FY 1993	Biennium
Aids and Credits (1)			
Property Tax Refund			
Homeowners	\$ 48,708,000	48,493,000	97,201,000
Renters	78,654,000	85,371,000	164,025,000
Targeting	18,255,000	11,400,000	29,655,000
Homestead Credit and Agricultural			
Credit (HACA)	497,199,000	539,625,000	1,036,824,000
Disparity Aid	43,249,000	42,130,000	85,379,000
Border City Disparity Credit	2,355,000	2,916,000	5,271,000
Local Government Aid	285,178,000	281,860,000	567,038,000
Attached Machinery Aid	3,218,000	3,218,000	6,436,000
Supplemental Homestead Property Tax Relief	909,000	978,000	1,887,000
Equalization Aid	19,477,000	19,428,000	38,905,000
Transition Credit (2)	52,000	108,000	160,000
In-Lieu of Taxes Payments on DNR Lands	4,552,000	4,700,000	9,252,000
Enterprise Zone Credit	78,000	984,000	1,062,000
Regional Transit Board Levy Reduction	2,848,000	2,051,000	4,899,000
Region 3 - Occupation Tax	405,000	397,000	802,000
Mortgage and Deed Tax	54,542,000	54,542,000	109,084,000
Total Aids and Credits	\$ 1,059,679,000	1,098,201,000	2,157,880,000
Human Services Aids (3)	138,633,000	146,091,000	284,724,000
State Lottery Board	44,903,000	39,449,000	84,352,000
Political Contribution Refunds	2,600,000	3,000,000	5,600,000
Retirement	41,879,000	45,119,000	86,998,000
Debt Service	200,442,000	209,868,000	410,310,000
Other Open and Standing (3)	14,679,000	21,218,000	35,897,000
Total Open and Standing	\$ 1,502,815,000	1,562,946,000	3,065,761,000

NOTES:

- (1) All or a portion of the following aids are paid from the Local Government Trust fund: local government aid, equalization aid, disparity aid, border city disparity credit, attached machinery aid, HACA, supplemental homestead property tax relief, and transition credit.
- (2) The transition credit was previously called the homestead and agricultural credit guarantee.
- (3) Includes some Local Government Trust Fund amounts.

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