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Minnesota State Senate

1993 Session

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Fiscal Review

of the

1993 Legislative Session

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Office of Senate Counsel and Research

Edited by William Riemerman

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Introduction

The Fiscal Review is a report of actions taken by the 1993 session of the Minnesota Legislature. These reports have been issued annually since 1975.

This is not an accounting of all legislative actions. It covers those with fiscal impact and reports some other significant actions of the Legislature.

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 specified by statute. These are called open and standing appropriations. 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.

The 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 of appropriations by fund and law (chapter) (Table D); a General Fund balance statement (Table B); a listing of open and standing appropriations (Table E); and a table of Federal funds (Table F).

Highlights

The 1993 session of the Legislature passed, and the Governor signed, appropriations totaling more than \$25 billion. This includes federal funds of about \$5.9 million. Vetoed appropriations totaled about \$3.8 million.

The distribution of appropriations was in the traditional pattern. The highest appropriations of state funds went to elementary-secondary education (about \$5.2 billion); followed by human services (about \$4.3 billion); property tax aids and credits (nearly \$2.5 billion); higher education (more than \$2 billion); and transportation more than \$1.7 billion).

An additional \$3.9 billion in federal funds will go to human services -- the bulk of it directed to medical assistance programs; while K-12 education will receive about \$539 million in federal aid, and transportation will receive nearly \$600 million in federal aids.

Revenues and Tax Aids

Very little policy was changed in the tax and tax aids areas, although the Senate did pass a package of income tax increases that was vetoed by the Governor. Income tax increases for high-income earners were dedicated to school property tax relief and class size reduction.

The 1993 session also enacted a 50 percent increase in the Minnesota Working Family Credit and put into effect a limited market value for assessment purposes. Annual increases in homestead and cabin properties will be limited to 10 percent of the property value or 33 percent of the difference between the old and new value, whichever is greater.

The Legislature also approved a budget reserve of \$360 million.

Education

Elementary and Secondary education funding registered double digit percentage increases and higher education registered moderate appropriation gains.

Early childhood education program funding was increased by more than 33 percent with the major portion of the increases going to Head Start and Learning Readiness. The Legislature also funded development of new graduation rules designed to develop the change to outcome-based education.

Human Services

MinnesotaCare's 1992 base was extended, and was funded with over \$200 million in appropriations. Revenue raisers for this program include a dedicated five cent cigarette tax; a two percent hospital tax; a two percent gross revenue provider tax; and premiums by enrollees.

In other action, the Legislature:

- Passed a major campaign financing reform bill that reduced amounts that Political Action Committees, individuals and lobbyists can contribute to candidates. The proportionate amount political parties can contribute was increased.
- Passed a bare-bones youth apprenticeship bill, designed to change the state job training system over time.
- Passed a capital improvement bonding bill with about \$64 million in bonding authority.

Revenues

State Taxes

Income Tax

The rules under which employers must deposit state income tax withholding were put in conformity with the federal withholding deposit schedule for employers whose withholding is more than \$500 per quarter. The federal conformity of these withholding deposit rules will result in a one-time gain to the state of \$9.6 million in the 1993-1995 biennium.

The rate of the Minnesota Working Family Credit was increased from 10 percent to 15 percent of the federal Earned Income Credit. The cost of this credit increase is estimated to be \$14 million in the 1993-1995 biennium.

Federal law changes enacted through December 31, 1992, were adopted for Minnesota income tax purposes (with the exception of certain federal changes relating to depletion allowances and intangible drilling costs). The percentage of corporate franchise tax that must be paid in estimated tax payments was raised from 95 to 97 percent. The update to federal law changes is estimated to raise \$3.2 million in the 1993-1995 biennium.

A bill was passed which would have increased the top individual income tax rate from 8.5 to 10 percent. The increased rate would have affected joint filers with taxable incomes exceeding \$150,000, single filers with taxable incomes above \$84,830 and heads of household with taxable incomes over \$127,750. The bill increased the alternative minimum tax rate from seven percent to 7.75 percent. The increase in revenue for these provisions was estimated to be \$232 million in the 1993-1995 biennium. The bill containing these provisions

was vetoed by the Governor.

Sales and Excise Taxes

A new tax on sports bookmaking was enacted with a rate of six percent on all bets taken by a sports bookmaker. Bookmakers are required to collect the tax and file monthly returns. The tax is estimated to raise \$1.5 million in the 1993-1995 biennium.

The rules governing the accelerated June payment of sales, cigarette and liquor taxes were modified. Under prior law, filers with May liabilities of \$1,500 or more were required to make an estimated payment of one-half of their June liability by June 20. Taxpayers with annual liabilities exceeding \$240,000 were required to pay by electronic funds transfer. The new law requires filers with annual liabilities exceeding \$120,000 to pay by electronic funds transfer. Only those filers with liabilities over \$120,000 will be required to make the June accelerated payment. The percentage of estimated June liability required to be paid is increased from 50 percent to 75 percent. These changes in the accelerated June sales and excise tax payment rules are estimated to produce a one-time increase in revenue of \$9 million to the General Fund, \$2.8 million to the Local Government Trust Fund and \$0.2 million to the Health Care Access Fund.

The threshold requirements for filing monthly and quarterly returns were also modified. The threshold for requiring monthly returns was increased from \$250 to \$500 average monthly tax. The threshold for filing quarterly returns was increased from \$25 to \$100 average monthly tax. These changes in sales tax filing

requirements are estimated to produce a one-time revenue loss of \$6.2 million to the General

Fund and \$2.8 million to the Local Government Trust Fund in the 1993-1995 biennium.

Local Property Tax and State Aids

Property Tax Aids and Credits

A new Local Government Aid (LGA) formula for cities was enacted. The formula is the result of a study which used statistical analysis to identify objective measures of revenue need and revenue-raising capacity for cities. The goal of the formula is for the state to fill some portion of the identified gap between city revenue need and city revenue-raising capacity.

The formula uses four factors to estimate city revenue need. These factors include the percentage of housing within the city built before 1940, the percentage of the city's property value classified as commercial-industrial, the city population, and the percentage decline, if any, in the city population.

Revenue-raising capacity for a city is defined as the average city tax rate for all cities multiplied by the equalized tax capacity of the city. The increase in aid for a city is equal to the city revenue need multiplied by its population minus the revenue-raising capacity of the city. City aid increases are limited by the total amount appropriated for city LGA. For 1994, aid increases for first-class cities are limited to the percent change in total 1994 city LGA compared to the total 1993 city aid base. Aid increases for all other cities are limited to five percent of each city's net property tax levy for taxes payable in 1993.

Only increases in LGA funding are distributed under this new formula. The amounts of LGA, Equalization Aid and Disparity Reduction Aid received by cities in 1993 are incorporated into the new formula and grandfathered in 1994. After 1994, any increase in funding for the new formula will result in a proportionate dollar-for-

dollar reduction in the total amount of grandfathered aid. Aid increases will be limited to 10 percent of the city's net levy for the prior year plus the city's aid base multiplied by the base reduction percentage.

Three changes were made which affect the Homestead and Agricultural Credit Aid (HACA) program. First, HACA will be increased due to the reduction in the property tax class rates for agricultural property. The class rate on farm homestead land valued in excess of \$115,000 up to 320 acres was reduced from 1.3 percent to one percent. Half of this reduction will be paid through the HACA program. The class rate on homestead agricultural land valued over \$115,000 which exceeds 320 acres and non-homestead agricultural land was reduced from 1.6 to 1.5 percent. The increase in HACA resulting from these class rate reductions is estimated to be \$11.5 million (\$3.1 million General Fund and \$8.4 million Local Government Trust Fund) in the 1993-1995 biennium.

The second law change affecting HACA was the elimination of the household and pupil unit growth factors for cities, towns and school districts. The elimination of these growth factors is estimated to save \$4.7 million to the General Fund and \$2.8 million to the Local Government Trust Fund in the 1993-1995 biennium.

The third HACA change is a reduction in school HACA which was used to further equalize school referendum levies. Under prior law, schools received 50 percent equalization for the first \$315 per pupil unit of referendum levy. They also received HACA for unequalized levies which included referendum levies. Under the

new law, referendum levies will be 100 percent equalized for the first \$315 per pupil unit and the HACA which was previously paid for unequalized referendum levies is eliminated. This change will result in a reduction in HACA of \$50.2 million and an equivalent increase in referendum equalization aid in the 1993-1995 biennium.

School District Values

The calculation of school district values used in determining school aids was modified. Under prior law, school aids for taxes payable in 1994 were calculated using 1992 market values multiplied by property tax class rates in effect for taxes payable in 1993. For this reason, there was always a one-year lag between the time that class rates were changed and the time that they became effective for school aid purposes. Under the new law, school aids for taxes payable in 1994 will be calculated using 1992 market values and class rates for taxes payable in 1994. The class rate reductions for agricultural property enacted in 1993 as well as reductions for residential non-homestead and commercial-industrial property, which were enacted in 1992, will take effect for school aid purposes for payable 1994 rather than for payable 1995 as they would have under prior law.

Other Aids

The appropriation for Community Social Services Aid (CSSA) was reduced from \$53.1 million to \$50.8 million in fiscal year (FY) 1994 and \$49.5 million in fiscal year 1995. This change reduces the appropriations from the Local Government Trust Fund by \$6 million in the 1993-1995 biennium.

The County Criminal Justice Aid Program enacted by the 1992 legislative session takes effect for the 1993-1995 biennium. Beginning in 1993, counties will receive aid which will be

distributed half on the basis of each county's share of the state population and half on the basis of each county's share of Part 1 crimes committed within the state. The appropriation for this new aid is \$8.4 million annually for a total of \$16.8 million in the 1993-1995 biennium.

Circuit Breaker

The funding source for the Special Property Tax Refund (Targeting) Program was switched from the General Fund to the Local Government Trust Fund beginning in FY 1994. This switch will save the General Fund \$21.5 million in the 1993-1995 biennium with an equivalent cost to the Local Government Trust Fund. The Targeting Program was extended through 1996 with an appropriation cap of \$5.5 million per year.

The funding source for the Renters' Property Tax Refund Program was also switched from the General Fund to the Local Government Trust Fund beginning in FY 1997. This switch will save the General Fund \$94.8 million in the 1995-1997 biennium with an equivalent cost to the Local Government Trust Fund. The FY 1995 appropriation for the Renters' Property Tax Refund will be increased by up to \$3 million if the Commissioner of Finance forecasts a surplus in the Local Government Trust Fund for FY 1995. The additional appropriation will be used to increase all renters' property tax refunds proportionately.

Market Values

The 1993 session enacted a limit on market value increases for homestead and nonhomestead residential and agricultural properties and cabin properties. The market value subject to property tax will be limited to the greater of a ten percent increase over the previous year market value or one-third of the difference between the current year's estimated market value and the previous year's value. The mar-

ket value limit does not apply to increases in value which result from improvements.

Budget Reserve and Cash Flow Account

Under the laws enacted during the 1993 regular session, the amount of the budget reserve and cash flow account was set at \$360 million. Excess General Fund revenues were appropriated first to the budget reserve and cash flow account until the total reaches \$500 million. After the budget reserve account balance reaches \$500 million, any additional excess revenues were appropriated to reduce the school property tax levy recognition percentage.

The 1993 special session added a budget contingency plan which requires the Commis-

sioner of Finance to retract General Fund and Local Government Trust Fund appropriations if the forecast of General Fund revenues and expenditures on November 30, 1993 determines that there will not be sufficient revenues to fund the budget reserve and cash flow account at \$400 million. Up to a maximum of one percent of total biennial appropriations to these funds may be retracted in order to maintain the budget reserve and cash flow account balance at \$400 million. The Commissioner is required to present a plan for the retraction of allotments to the Legislative Commission on Planning and Fiscal Policy by November 30, 1993. The Commissioner may modify the plan in response to recommendations from the Planning and Fiscal Policy Commission. If the Planning and Fiscal Policy Commission does not vote on the plan by December 15, 1993, the plan is deemed to be approved.

All State Aids

The budget adopted by the 1993 Legislature included appropriations of almost \$12.3 billion in various state aids for locally administered programs. This is about half of the state's total appropriations.

As always, the most substantial area of state aids goes to the elementary and secondary education system. This involves almost \$5.2 billion in education aids and another \$370 million in HACA and other property tax credits. Local property taxpayers contribute another \$3.6 billion toward the K-12 systems.

The next highest expenditure involves human service aids to counties for medical family support and social services programs administered by the counties.

This total is almost \$3.6 billion. The bulk of these appropriations -- nearly \$2.8 billion -- goes for medical vendors (physicians, dentists, pharmacists, nursing home operators, etc.). More than \$303 million is appropriated for AFDC; \$132.6 million for General Assistance and Work Readiness; and slightly more than \$75 million for supplemental aid payments for elderly and handicapped on the federal Supplementary Security Income program.

Social service aids for county-delivered social services are \$100.3 million.

The next-largest pass-through aid program involves various property tax credits. Of the \$2.6 billion appropriated for this purpose, more than \$2.3 billion goes to local governmental

units and \$304 million goes to homeowners and renters for income-related property tax relief.

Other aids for locally operated programs and their category are:

Local corrections, about \$97.1 million; district and county courts, nearly \$121 million; justice system aid, more than \$201 million; community health aids, more than \$33.3 million; county highway aids, almost \$495 million; and municipal highway aids, almost \$144 million.

AND LOCAL AIDS		PROPERTY TAX		
		(000s)		
	Trust Fund	General Fund		
Homeowners Property Tax Refund	\$ 104,700		Human Service Aid, AFDC, etc.	\$ 303,407
Targeting	21,500		General Assistant and Work Readiness	132,552
Renter Credit		\$ 177,300	Minnesota Supplemental Aid	75,317
Refund Adjustment	(3,000)		Other Family Payments	166,697
Local Government Aid	624,535		Medical Assistance	2,392,820
Equalization Aid	20,011		General Assistance Medical Care	397,059
Disparity Aid	45,315	25,297	Social Services	\$ 100,261
Border City Disparity	5,385	2,465	General Fund Human Service Aids	\$ 3,467,852
Attached Machinery Aid	4,764	1,672		
Homestead & Agr. Credit Aid	867,991	333,927	Total Fund Human Service Aids	\$ 3,568,113
HACA Mobile Homes	60,012	6,098		
Transition Credit	26	23	Local Corrections	\$ 16,800
HACA Prior Year Adjustment	220	176	Courts	\$ 80,372
Supplemental HACA		614		120,846
Taconite Aid Reimbursement		1,122		\$ 201,218
RTB Levy Reduction		6,435		
Enterprise Credit		1,458	Total Justice System Aids	\$218,018
Circuit Breaker		303,500		
General Fund Tax & Credit Aids		\$ 860,087	Education Aids - All Funds	\$ 5,191,444
Local Government Trust	\$ 1,751,459		Community Health Aids	\$ 33,308
TOTAL TAX AIDS & CREDITS - ALL FUNDS	\$2,611,546		TOTAL TRUST FUND AIDS	\$ 1,868,520
			TOTAL GENERAL FUND AIDS	\$ 9,897,856

			Non-General Fund Aids Without Trust Fund Aids	
Police & Fire Aid		\$ 92,400	Permanent School Fund	\$ 64,000
Mpls. Retirement Fund		20,910	Highway County Aids	494,780
Mpls. - St. Paul TRA		6,090	Municipal Highway Aids	143,980
Local Police - Fire		10,025	Total Non-General Fund Aid	\$ 702,760
Misc. Pension Aids		1,905		
Judges Retirement		3,037		
Total Pension Aids		\$ 134,367		
Department of Natural Resources				
in lieu of Taxes		\$ 9,580		
			TOTAL AIDS - ALL FUNDS	\$ 12,469,136

Appropriations

Elementary and Secondary Education

The 1993 Legislature appropriated more than \$5.2 billion for elementary and secondary education for the 1993-95 biennium. This represents an increase of 18.5 percent, or \$820 million, over the previous biennium. The table below summarizes the appropriations for the 1991-93 and the 1993-95 bienniums. The largest category -- General Education Aid -- accounts for approximately three-fourths of all appropriations for elementary-secondary education. The largest percentage increases are in appropriations for District Organization and Educational Improvement, where major new initiatives were enacted. Early Childhood Programs and Community and Adult Education also experienced significant increases.

ELEMENTARY AND SECONDARY EDUCATION
Biennial Appropriations
(000s)

	1991- 1993	1993- 1995	Percent Change
Dept. of Education and Arts Center	\$ 55,175	\$ 54,694	(0.9)
General Educ. Aid	3,244,649	3,900,056	20.2
Transportation Aid	237,866	269,691	13.4
Special Programs	459,404	493,591	7.4
Early Childhood Programs	37,526	50,848	35.5
Community and Adult Education	23,501	31,516	34.1
Capital Expenditures	250,952	295,911	17.9
District Organization	10,026	15,636	55.9
Educ. Improvement	7,412	21,005	183.4
Other Educ. Aids	100,937	114,594	13.5
Total	\$ 4,427,447	\$ 5,247,542	18.5%

Department of Education and Arts Center

The 1993 Legislature appropriated \$29.2 million for administration of the State Department of Education. This represents a \$469,000 reduction in the department's budget compared

to the last biennium. The appropriation for the Faribault residential academies was \$15.8 million, a \$263,000 increase over the previous biennium. The Minnesota Center for Arts Education received an appropriation of \$9.7 million, a reduction of \$415,000 from the previous biennium. However, the Minnesota Center for Arts Education received an added appropriation of \$808,000 to fund additional responsibilities, including the art Education Residency project and the PASS arts program. Administrators of all three agencies must report to the Legislature on how well their agency is meeting established performance measures in the next biennial budget.

General Education Aid

The General Education Aid program is the largest category of aid paid to school districts. Unlike "categorical" aids, General Education Aid may be used to pay for a variety of a district's operating expenses such as salaries and supplies. General Education revenue is determined using a number of aid and levy formulas which have been frequently modified over the years.

General education revenue consists of four separate components:

- Basic revenue will remain at \$3,050 per actual pupil unit for all school districts for FY 1994. This amount will increase to \$3,150 for FY 1995.
- Compensatory education revenue provides additional revenue for districts based upon the number of children receiving AFDC served by the district. This revenue may be

used only to provide services for children whose achievement is below the age-appropriate level.

- Training and experience revenue is provided to districts in which the teachers have, on average, high levels of education and experience. It is intended to partially compensate for the relatively high salaries in these districts. Training and experience revenue is increased in FY 1995.
- Sparsity revenue is provided to districts which are both small and geographically isolated. There is a secondary component for districts with fewer than 400 secondary students and an elementary component for schools under 140 elementary students.

To receive general education revenue, each district must levy property taxes up to an amount equal to a specified net tax capacity rate times the district's adjusted net tax capacity. State aid makes up the difference between the district's total general education revenue and the proceeds of the levy.

The general education revenue formula has three additional provisions.

The first is a supplemental revenue provision which guarantees that every district's revenue per pupil unit will equal at least its 1988 revenue per pupil unit (for all of the revenue categories which were replaced by general education revenue plus a minimum guarantee). If a district's general education revenue is less than this guaranteed minimum, the district receives supplemental revenue equal to the difference. The guaranteed revenue per pupil unit was rebased in 1991. The 1993 Legislature froze the amount of supplemental revenue for all school districts at the FY 1993 level for FY 1994 and later. In addition, a district's supplemental revenue will be reduced by the amount of future increases in training and experience revenue, compensatory revenue, and the formula allowance.

The second provision is a fund balance reduction provision. If a district's operating fund balance exceeds 25 percent of the formula allowance per pupil unit, the district's general education revenue will be reduced by the amount of the excess, up to a maximum reduction of \$250 per pupil unit.

The third provision is a levy equity provision, which increases local tax levies in districts with high property values per pupil unit. Once fully phased in, this provision will require all districts to levy the same general education tax capacity.

A new reserved revenue for class size reduction for grades kindergarten through six was initiated by the 1993 Legislature. The reserved revenue is generated by an increase in the elementary pupil weight from 1.0 to 1.03 in FY 1994 and 1.06 in FY 1995. Approximately \$112 million will be raised in the biennium to achieve a student/teacher target ratio of 17 to 1.

A framework for a new education finance structure was also enacted in the 1993 session. The new structure consists of core instructional aid to fund achievement of basic learner outcomes, and support services aid to fund other essential services. The new finance structure will take effect in FY 1998. The Coalition for Education Reform and Accountability was created to flesh out the details of the new finance structure.

Transportation Aid

The 1993 Legislature appropriated \$269.7 million for Transportation Aid in fiscal years 1994 and 1995, up \$31.8 million from the previous two years. The regular transportation formula allowance was increased and additional aid was made available for certain open enrollment students. Late activity transportation revenue will again be available to all school districts. A levy equity provision for the transportation levy will be phased in over four years. Several other

adjustments were also made to the transportation formulas.

Special Programs

Total appropriations for special programs increased by 7.4 percent compared to the previous biennium. The appropriation for special programs equals \$493.6 million for the 1993-95 biennium. Several changes made in 1993 will change the way certain special program state aids and revenues will be determined.

Beginning in FY 1994, administrative salaries will no longer qualify as reimbursable expenditures in the special education, limited English proficiency, secondary vocational, and secondary vocational-handicapped programs. Savings from this change are used to increase the portion of qualified salaries for which a school district may levy from 66 to 68 percent and to increase the appropriation for special programs equalization aid.

Other changes include the replacement of special education residential aid in FY 1995 with a new excess cost aid. The excess cost aid equals 70 percent of the difference between a district's unreimbursed special education costs and six percent of the general education revenue received for qualifying students. The appropriation for this new aid equals \$5.6 million for FY 1995. A new state aid for the cost of supplies and equipment in limited English proficiency programs was also established. Several minor changes were also made to the special education alternative delivery revenue formula.

In an attempt to increase the effectiveness and efficiency of special education programs, the Legislature authorized 12 pilot projects to develop alternative delivery models for special education services. The pilot sites may receive waivers from certain special education rules and must report the results of the project to the Legislature. A task force on education for children with disabilities was also established to

review rules pertaining to special education and make recommendations to the Legislature.

The individualized learning and development aid program was replaced by the class size reduction program described in the general education aid section. The appropriation for Individualized Learning and Development Aid had totaled \$26.7 million in the 1991-93 biennium.

Early Childhood Education

The 1993 Legislature appropriated \$50.8 million for early childhood education programs for the upcoming biennium. This is an increase of \$13.3 million, or 35.5 percent over the previous biennium. The learning readiness program received an appropriation of \$9.5 million per year for the 1993-95 biennium compared to a biennial appropriation of \$8 million in 1991-93 following the Governor's veto of the FY 1993 appropriation. A new learning readiness aid formula was established which distributes 50 percent of available funds on the basis of eligible four-year-old children residing in the district, 35 percent of available funds on the basis of the number of pupils eligible for free or reduced school lunch, and 15 percent of available funds on the basis of total participating eligible children. A new appropriation of \$450,000 in FY 1994 was authorized for early childhood family education home visiting programs. This appropriation will be replaced by a local levy in FY 1995.

Community and Adult Education

The appropriation for community and adult education totals \$31.5 million for the 1993-95 biennium. This represents an \$8 million increase over the previous biennium.

The Legislature appropriated \$8.5 million for new family services and community-based collaboratives. Of the total appropriation, \$5

million was appropriated from the K-12 education budget and \$3.5 million from the family services budget. The new collaboratives are intended to increase cooperation and coordination on the part of school districts, counties, local public health agencies, and other local service providers in delivering integrated services to families and their children. A portion of this appropriation is also available to fund the Legislative Commission on Children, Youth, and their Families, the Children's Cabinet, and a new integrated children's database.

Beginning in FY 1995, a greater portion of adult basic education revenue will come in the form of state aid. The local tax rate is reduced from 0.21 percent of Adjusted Net Tax Capacity to 0.12 percent and state aid is increased proportionately. The state appropriation for adult basic education aid will equal \$13.9 million for the biennium, an increase of \$2.1 million over the previous biennium.

Other changes in community and adult education funding include a \$340,000 appropriation in FY 1995 for equalization aid for extended day levies, a \$1.4 million appropriation for continued funding of violence prevention programs, and establishment of a community service fund levy equity provision.

Capital Expenditures

The Legislature appropriated \$295.9 million to fund district expenditures on capital projects. This includes \$149.3 million for facilities, \$73.4 million for equipment and \$30.2 million for health and safety improvements. An additional \$43 million was appropriated for debt service levy equalization aid. A new formula for determining capital expenditure facilities revenue will become effective in FY 1996. Under the new formula, a district's revenue will equal \$100 times the district's maintenance cost index times the number of pupils. A district's maintenance cost index is based upon such factors as the square footage and age of the facilities owned by the district.

Educational Organization

Appropriations for education organization increased by 56 percent. The appropriation for the upcoming biennium totals \$1 million. Much of the increase is due to a new program providing equalized cooperation revenue to districts which are not members of an intermediate district. The revenue may be used by districts to cooperatively purchase goods and services. Cooperation aid equals \$7.9 million in FY 1995. State aids for secondary vocational cooperatives, ECSUs and regional management information system centers will be eliminated in FY 1995 in anticipation of the sunset of regional entities at the end of that fiscal year. An education delivery service planning process was established to develop a new service delivery system to replace the existing regional entities.

Educational Improvement

The 1993 Legislature enacted several major provisions aimed at promoting innovation and effectiveness in public education. As a result, funding in this area increased dramatically, from \$7.4 million in the 1991-93 biennium to \$21 million in the 1993-95 biennium. The majority of the increased appropriation, \$10.4 million, is for funding full implementation of the graduation rule by the 1996 school year. Other initiatives in the areas of technology, teacher training and school improvement received funding.

In the area of technology, \$2.7 million was appropriated for equalization aid for levies for interactive television. Another \$400,000 was appropriated to link schools with the worldwide INTERNET computer network. In teacher training, the reserved revenue for staff development was increased from \$15 per pupil unit to \$30.50 in FY 1994 and to \$63 per pupil unit in FY 1995. An appropriation of \$600,000 is available for the teaching residency program to provide a three-quarter time, mentored teaching environment for first-year teachers. The Institute for the Advancement of Teaching within the Minnesota

Humanities Commission received \$650,000 to conduct seminars in creative teaching methodologies. In the area of school improvement, \$750,000 in grants to school districts was appropriated to encourage educational effectiveness programs and site-based management.

Other Education Aids

A total of \$114.6 million was appropriated for other education aids for fiscal years 1994 and 1995. This represents a 13.5 percent increase over the \$100.9 million appropriated for the

previous biennium. Included in this amount is a \$400,000 appropriation for a new state aid to support school breakfast programs and \$500,000 for the new teachers of color program to support the recruitment and education of minority students to become teachers. Funding for the career teacher program was reinstated, receiving \$250,000 for the biennium.

Other continuing appropriations included abatement aid (\$14.9 million), school lunch aid (\$13 million), library grants (\$16.7 million), aid to nonpublic school students (\$19.3 million) and integration grants (\$37.7 million).

Higher Education

The omnibus higher education funding bill appropriated more than \$2 billion to higher education. This is a three percent increase over the 1991-1993 biennial appropriation.

Appropriations for higher education are shown in chart below.

HIGHER EDUCATION APPROPRIATIONS
(000s)

	FY 1994	FY 1995	Total
Higher Education			
Coord. Board	\$ 122,248	\$ 119,498	\$ 241,746
Higher Education Board	900	900	1,800
Brd. of Regents-UofM	462,187	907,153	
State University Board	175,399	179,621	355,020
State Board			
Community Colleges	95,751	104,248	199,999
State Board			
Technical Colleges	165,109	170,525	335,634
Mayo Medical Foun.	808	840	1,648
Total	\$1,005,181	\$1,037,819	\$2,043,000

The Legislature provided full funding of the systems using the statutory formula. The appropriation to each system included funding to enhance the quality of education to students. In addition to the General Fund appropriation for educational enhancements, any revenue raised

through tuition increases greater than three percent must be used for educational enhancements.

Educational enhancements include:

- enhancements in libraries, instructional equipment, and technology; faculty training in telecommunications; the development and delivery of courses via telecommunications; the availability and size of classes; student services; facilities; curriculum or teaching innovations; mechanisms to improve retention and timely graduation; and career information and counseling;
- system initiatives already in place; and
- pilot projects to measure the performance of the systems on goals established by each system.

The appropriation to higher education included \$4.8 million for telecommunications to:

- expand the availability of courses and degrees to students statewide; and

- improve the access, quality, and efficiency in the delivery of courses through telecommunications and other instructional technologies.

Higher Education Coordinating Board

The Legislature appropriated about \$241.7 million to the Higher Education Coordinating Board for the FY 1994-FY 1995 biennium. Approximately \$102 million in FY 1994 and \$98 million in FY 1995 were for state financial aid grants to students. The appropriation was increased in response to decreases in federal funding of student financial aid.

The appropriation also included funding for the following purposes:

- grants to nursing programs to recruit persons of color into nursing and grants to nursing students who are persons of color: \$250,000 each year;
- interstate tuition reciprocity: about \$5.1 million each year;
- state work-study: \$8.2 million each year; and
- Minitex Library Program: \$2 million each year.

Loan limits were increased for students participating in the SELF loan program: \$6,000 per year and an aggregate not to exceed \$25,000 for undergraduate students, and \$9,000 per year and an aggregate not to exceed \$40,000 for graduate students.

Higher Education Board

The Higher Education Board received a biennial appropriation of \$1.8 million.

A joint legislative committee was created to provide a forum for discussions between the Legislature and the board regarding the merger of the technical college system, community

college system, and state university system in 1995. In addition, the board must submit proposals regarding the various merger issues to the Legislature.

University of Minnesota

The University of Minnesota received a biennial appropriation of about \$907 million. Included in this appropriation was approximately \$169.1 million for the following programs: agriculture and extension services, health sciences, institute of technology, and system specials.

State University System

The State University Board received a biennial appropriation of about \$355 million.

The board and campuses were directed to not plan or develop doctoral programs or degrees until they received the approval of the Legislature for such action. The board also was instructed to review the internal allocation formula used to distribute appropriations to individual campuses.

Community College System

The Community College Board received a biennial appropriation of about \$200 million.

Technical College System

The Technical College Board received a biennial appropriation of about \$335.6 million. \$150,000 each year is for southwest Asia veterans tuition relief.

Mayo Medical Foundation

Mayo Medical Foundation received a biennial appropriation of about \$1.6 million.

Miscellaneous Provisions

Additional funding for initiatives in higher education were included in the MinnesotaCare legislation and the omnibus crime prevention bill.

An appropriation of \$1.3 million was made for:

- (1) loan forgiveness programs for:
 - medical students agreeing to practice in designated rural areas;
 - urban primary care physicians;
 - mid-level practitioners agreeing to practice in designated rural areas; and
 - nurses who agree to practice in a nursing home or intermediate care facility.
- (2) the state match for a federal loan forgiveness program for physicians; and

- (3) grants to nursing programs at postsecondary institutions. Grants received for the latter must be used to provide rural students with increased access to programs for nurse practitioners by developing rural clinical sites, allowing students to remain in their rural communities for clinical rotations, and providing faculty to supervise students at rural clinical sites.

About \$4.6 million was appropriated for the education and training of primary care physicians. Primary care physicians include family practitioners, general pediatricians, and general internists.

The sum of \$400,000 was appropriated for:

- grants to public post-secondary institutions to develop professional skills for interdisciplinary collaboration in providing health care, human services, and education; and
- the creation of a higher education center on violence and abuse.

Human Services

The Legislature made available \$4.4 billion for Department of Human Services (DHS) programs, including:

- almost \$4.3 billion from the General Fund appropriated in the Omnibus Health Care and Family Services Appropriations bill (Special Session, Chapter 1), and
- about \$100 million provided in the tax bill for Community Social Services Act (CSSA) block grants to counties.

A brief description of the fiscal impact of significant appropriations in the omnibus spending bill is provided below.

Finance and Management Administration

Almost \$42.7 million was provided for finance and management administration. The administrative salary base was reduced by over \$2.7 million, and 22.5 staff positions were eliminated. A \$2 million appropriation was approved to reduce the number of layoffs, and salary funding was further reduced by about \$1.1 million, forcing the agency to absorb projected inflation of 3.5 percent annually. The bill appropriated \$992,000 to pay county costs for public assistance services to the Red Lake Band of Chippewa Indians.

Social Services Administration

About \$138.7 million was appropriated for this administration. The salary base was reduced by almost \$1.4 million. The bill provided \$250,000 to plan and design a social services information system. Almost \$3.5 million was provided for subsidies to families adopting children with special needs. Most of this increase was offset by a reduction in CSSA funding for counties. The New Chance Demonstration Project, which provides comprehensive services to teens who become pregnant and drop out of school, received \$200,000. A \$3.5 million appropriation was made to improve coordination between school districts and social service agencies. Funding was provided for planning grants and for implementation efforts. A \$325,000 appropriation was approved to maintain crisis nurseries and increase capacity.

Three major proposals affecting regional treatment centers (RTCs) were approved by the Legislature:

- (1) the closure of the Moose Lake RTC and subsequent transfer of the facility to the Department of Corrections;
- (2) an acceleration of the downsizing of the Faribault RTC; and
- (3) continuation of the policy to reduce the number of persons with developmental disabilities residing at RTCs statewide.

The net change to the General Fund as a result of all three proposals was a reduction of about \$2.6 million.

In the developmental disabilities area, \$279,000 was provided to develop community services for persons being discharged from the Faribault RTC; \$353,000 was cut from the base appropriation for developmental disabilities administration; and \$468,000 was appropriated for the development of community services for persons affected by RTC downsizing. A transfer of

almost \$1.5 million was made between the Semi-Independent Living Services Program (SILS) and Medical Assistance (MA). This will increase federal funding through MA for these services and enable caseload expansion as well as budget savings. SILS services providers were given a three percent rate increase for the second year of the biennium at a cost of \$275,000.

In the Aging Administration Program, the grant program for congregate housing services coordinators was cut by \$440,000. Other aging programs were increased by \$518,000, as follows:

- aging services grants grew by \$200,000, including \$100,000 to expand home-delivered meals;
- the Foster Grandparent Program received an additional \$100,000;
- the Retired Senior Volunteer Program (RSVP) was enhanced by \$150,000; and
- the Senior Companion Program received an additional \$68,000.

In the chemical dependency treatment area, the Chemical Dependency Consolidated Treatment Fund was increased by almost \$11.7 million because of forecasted growth. An increase of \$1 million was provided to serve additional clients who are in need of services but are not guaranteed services under state law.

An appropriation of \$714,000 was approved to offset county costs associated with a three percent rate increase approved for day training and habilitation services providers in the second year of the biennium.

Health Care Administration

Almost \$2.9 billion was provided for health care programs. The salary base was reduced by over \$2.1 million. The non-salary base was

cut by \$984,000. An appropriation of \$567,000 was approved to cover administrative costs associated with new MA lien provisions and restrictions on asset transfers, and three new staff positions were authorized for this effort. An appropriation of \$650,000 was approved to maximize federal funding for health care by moving recipients inappropriately placed in the General Assistance Medical Care program (GAMC) to MA.

Medical Assistance

The Medical Assistance (MA) base was increased by over \$295 million to account for forecasted growth. The MA base was also increased by almost \$284 million in a bookkeeping transaction that involves stating an appropriation twice and adding off-setting collections on the revenue side of the balance sheet. MA funding was increased by \$650,000 to reflect an anticipated growth in spending for group residential housing payments as more clients are shifted to MA waiver programs. The shift from state-only funding to the MA waiver account would increase federal funding in this area.

In the nursing home area, over \$45.6 million was provided for anticipated inflation in nursing home costs. A savings of \$260,000 is anticipated through lower limits on administrative costs for certain homes. A savings of over \$2.1 million was anticipated by eliminating inflationary increases the first year in the nursing home efficiency incentive and through restructuring the incentive in the second year. A savings of over \$5.3 million is expected through a reduction from 100 percent to 79 percent in the MA payment for a nursing home bed on days when the resident is hospitalized, or for some other reason does not use the bed. A \$581,000 savings was taken by modifying the formula used to reduce MA payments for space that is rented to private therapy providers. The interactive effect of various reductions in nursing home reimbursement is expected to save an additional \$267,000. Increased spending for alternative

care programs is expected to result in savings of over \$10.1 million in MA spending for nursing homes.

An appropriation of \$550,000 was provided to allow exceptions to the nursing home moratorium which result in additional property costs. Almost \$9.3 million was provided for special payments to certain county-operated nursing homes. The bill provided \$800,000 to reimburse nursing homes for some of the costs of new federal mandates.

Inflation

Almost \$4.8 million was provided for anticipated inflationary adjustments for intermediate care facilities for persons with mental retardation (ICFs/MR). The long-delayed proposal to modify ICF/MR reimbursement so that rates are based on client characteristics was finally dropped. That decision will save over \$3.5 million during the biennium.

Over \$17.2 million was appropriated for inflationary increases in MA hospital rates. Payment of the one percent technology factor on top of inflation was eliminated, saving over \$3.4 million. About \$9.6 million was provided to continue making disproportionate population adjustment (DPA) payments to hospitals that serve a higher-than-average share of MA patients. In addition, over \$21.6 million was provided for DPA payments to Hennepin County Medical Center and the University of Minnesota hospital.

Large Hospitals

Over \$5 million was approved to increase MA payments by three, six or nine percent to certain large, metropolitan area hospitals that treat substantial numbers of MA recipients. A savings of almost \$14.9 million the second year is anticipated through adoption of a hospital peer grouping system under which hospitals will be divided into groups of similar facilities with rate caps established based on group averages. A

savings of over \$1.3 million is anticipated through a program under which state agencies obtain vaccines at a reduced rate for administration to MA recipients. The program is currently in operation for vaccines administered by county public health agencies and will be expanded to private health care providers. A savings of over \$1.5 million is expected through a 20 percent ratable reduction in retroactive payments to hospitals. Some hospitals were scheduled to receive higher rates under a rate rebasing system that took effect on July 1, 1992. Implementation of the new system was delayed until necessary computer reprogramming was accomplished, but the higher rates, minus 20 percent, will be paid retroactively.

Recipient Assets

Savings of almost \$3 million was anticipated through tougher provisions regarding the transfer of assets prior to application for MA. Asset giveaways will be prohibited for the 60 months prior to application, rather than the current 30 months, and penalty periods for uncompensated transfers, during which MA services are not available, will run consecutively rather than concurrently. Federal approval is required to implement these restrictions, and DHS was instructed to seek necessary waivers and implement the changes upon federal approval. An additional savings of \$793,000 is expected through recoveries from liens placed on certain assets of MA recipients. A \$510,000 appropriation was provided to increase to \$20,000 the minimum amount of assets that may be retained by the community spouse when the other spouse enters a nursing home. The increase applies to persons who enter a nursing home after July 1, 1994.

A \$439,000 appropriation was provided to continue the downsizing of so-called institutions for mental disease (IMDs). Facilities with over 15 beds that accommodate large numbers of persons with mental illness are classified by the federal government as IMDs and are not eligible

for MA payments. Downsizing these facilities allows them to qualify for MA, thereby increasing federal payments.

An appropriation of \$634,000 was approved to expand the number of organ transplants that are eligible for MA coverage. A savings of over \$15 million was taken in the MA account by delaying the phase-in schedule for full state takeover of county income maintenance costs. The proposal to delay the phase-in schedule for state financing of income maintenance programs affects appropriations to multiple programs within DHS. The total change to the General Fund as a result of the delay is over \$23 million for the biennium. This takeover has been delayed for a number of years by prior Legislatures, but the action had previously been taken in the tax bill. Over \$151.1 million was appropriated to the MA account as part of a restructuring plan which eliminated the Department of Revenue's Human Services Aid Account for the county share of base-level income maintenance costs and transferred appropriations to the respective human services program.

Restructuring

Although the restructuring plan has no net effect on the state budget as a whole, it does affect appropriations to a number of DHS programs. The total increase in the DHS General Fund appropriation attributable to this restructuring is \$296.5 million. A savings of almost \$2.4 million was anticipated through reform of the day training and habilitation payment system and through a delay in the effective date of a new reimbursement rule for these services. Additional savings of \$550,000 is expected through performance-based contracting with providers of services to persons with developmental disabilities. MA funding was increased by over \$3.3 million to pay for certain SILS services under the MA waiver program. This will increase federal funding.

MA savings of almost \$3.5 million are expect-

ed as a result of efforts in the GAMC program to maximize payments from third-party payors.

A cancellation of over \$8.1 million is anticipated in the Alternative Care Program. The appropriation for this program is purposely set at a level higher than anticipated spending in order to allow for spending variations from county to county. The higher appropriation enables the state to assume a cancellation of unspent funds. The canceled funds are dedicated to the MA account.

Savings of over \$8.2 million are assumed as RTC downsizing continues. Further savings of almost \$2.9 million are anticipated as a result of Faribault downsizing, and another savings of almost \$2.8 million is expected from the closure of the Moose Lake RTC and its conversion to other uses. Over \$5 million was provided for alternative community services for persons living in the Moose Lake RTC area.

Savings of almost \$1.5 million are anticipated by setting the reimbursement rate for master's prepared mental health professionals at 75 percent of the Ph.D. rate the first year and 80 percent the second year. This results in a state savings because rates were forecast at 100 percent, but the change represents a rate increase for providers, because previously they had been paid only 65 percent of the Ph.D. rate. An appropriation of almost \$1 million was approved to increase reimbursement rates for special transportation providers. An appropriation of \$310,000 will allow a rate increase for Courage Center, which specializes in the rehabilitation of persons with serious handicapping injuries and treats a large proportion of MA recipients. Ambulance service payment rates were increased by three percent at a cost of \$231,000. Over \$1.3 million was provided to restore RTC staff positions proposed for elimination.

Rate Increases

Appropriations were approved to provide three percent rate increases in FY 1995 in the following programs:

- day training and habilitation providers reimbursed through MA and the MA waiver (\$803,000);
- other MA waiver programs for persons with developmental disabilities (over \$1.3 million);
- personal care attendants (\$835,000);
- private duty nurses (\$63,000);
- the Community Alternatives for Disabled Individuals Waiver (\$91,000);
- the Community Alternative Care Waiver (\$195,000);
- the Elderly Waiver (\$143,000);
- home health and skilled nursing (\$226,000); and
- traumatic brain injury services (\$111,000).

Almost \$2.5 million was provided for increased MA waiver costs associated with the downsizing at Faribault RTC which will move RTC clients into community placements. A \$281,000 appropriation will allow reimbursement rates for alternative care assisted living projects to be up to 60 percent of the maximum rate for each alternative care service. In the second year of the biennium, the maximum is 65 percent of the maximum rate. A \$4.3 million cost was assumed through efforts to maximize federal funds by shifting eligible clients from GAMC to MA. The Legislature's decision to downsize the Faribault RTC at a pace slower than originally

proposed will increase MA collections for services provided at the RTC. The increased collections will amount to almost \$10.3 million. In addition, reductions in staff layoffs in the RTC will increase collections by almost \$3 million.

General Assistance Medical Care

Almost \$396 million was appropriated for the General Assistance Medical Care (GAMC) program. Over \$84 million was provided to cover forecasted growth. A savings of almost \$1.7 million is projected by making undocumented and non-immigrant adults ineligible for GAMC services. Rescheduling the state takeover of county income maintenance costs will save about \$2.9 million in GAMC. A savings of \$952,000 is anticipated through efforts to qualify certain facilities for MA reimbursement. Prior to downsizing, these facilities are classified by the federal government as institutions for mental disease (IMDs), which are ineligible for MA payments. A savings of \$763,000 is anticipated through efforts to maximize payments from third-party payors. A savings of \$6.4 million in FY 1995 is expected from the implementation of a hospital peer grouping system, which will group hospitals with common characteristics together and establish reimbursement limits based on group averages. A savings of \$500,000 was achieved through a 20 percent ratable reduction in the retroactive payments to hospitals necessary to implement the hospital rebasing system. A savings of over \$9.4 million was anticipated through efforts to maximize federal funding by shifting clients to MA from GAMC.

Managed Care

Almost \$6.1 million was appropriated for managed care activities. The staff devoted to this activity was increased to 30 from a previous level of 20, at a cost of almost \$2 million. The non-salary base was reduced by \$520,000.

Alternative Care/Preadmission Screening

Over \$65 million was provided for this activity, including an increase of over \$9.8 million due to forecasted increases in spending. The rescheduling of the state takeover of county income maintenance costs was anticipated to save \$376,000 in this activity. Alternative care payments were increased by three percent for FY 1995 at a cost of \$709,000. An appropriation of \$390,000 was provided to allow rates for alternative care assisted living projects up to 60 percent of the maximum rate for each alternative care service provided. In the second year of the biennium, the cap is increased to 65 percent. The reimbursement rate for home-delivered meals was increased to \$4.50 from \$3 at a cost of \$213,000 in this activity.

Long-Term Care/Community-Based Services

Over \$38.2 million was transferred from the Minnesota Supplemental Aid and General Assistance accounts to establish a Group Residential Housing (GRH) fund to pay room and board costs in GRH facilities, formerly called negotiated rate facilities. The transfer was part of an initiative to add uniformity to GRH rates and to separate room and board payments from payments for additional services. The GRH initiative affects appropriations to a number of DHS programs. The net increase to the General Fund attributable to this initiative is \$452,000. Over \$1.2 million was approved to allow rate increases for certain GRH facilities with rates below the minimum level set in the GRH initiative.

Health Care Operations

After a base adjustment added \$4.8 million to this activity, the salary base was reduced by over \$2 million and 13 positions, and an additional salary funding reduction of \$249,000 was

taken. The reallocation of the base funding level for the county share of GAMC claims processing from a special Revenue Department account to a specific DHS account increased the appropriation for this activity by almost \$1.4 million. A \$375,000 appropriation was provided for a Prepaid Dental Care Pilot Project.

Provider Surcharges

Various provider surcharges were modified to increase anticipated revenues by over \$79.2 million over the biennium. The nursing home license surcharge was increased to \$620 in FY 1994 and \$625 in FY 1995, up from \$535. This will generate almost \$7.7 million in additional revenue. The hospital surcharge was increased to 1.56 percent the second year from 1.4 percent, generating almost \$4.2 million. Retired physicians were allowed to apply for an exemption from the \$400 license surcharge. That is expected to cost \$440,000. The existing Intergovernmental Transfer Program, which required St. Paul Ramsey Medical Center and Hennepin County to contribute two percent of hospital revenues, was modified. St. Paul Ramsey was dropped from the program; the transfer from Hennepin County was reduced to 1.8 percent; and the University of Minnesota was added to the program at 1.8 percent the second year. The net effect of these changes is lost revenue of \$533,000. New intergovernmental transfers were established. The University of Minnesota and Hennepin County will be required to transfer \$1 million per month to the state, and 17 counties that operate nursing homes must transfer a total of almost \$20.4 million over the biennium.

Family Self-Sufficiency Administration

Almost \$678 million was provided for the programs under this activity, which include Aid to Families with Dependent Children (AFDC), General Assistance (GA), Work Readiness (WR),

and Minnesota Supplemental Aid (MSA).

Quality Initiatives

The non-salary base for this activity was reduced by \$262,000. The salary base was cut by almost \$1.5 million. A \$3 million appropriation was approved to expand into Hennepin County the Electronic Benefits Transfer Program, under which income maintenance recipients are able to obtain cash benefits and food stamps electronically.

Self-Sufficiency Programs

Almost \$1.1 million was saved by reducing Work Readiness (WR) employment and training service grants. An additional \$2.6 million savings was taken through a WR employment and training base reduction. The Legislature approved \$1 million for a WR pilot project. Over \$3 million was appropriated for a new AFDC work experience program. Reallocating the county share of base level funding for WR employment and training costs out of a special Revenue Department account into individual DHS accounts added almost \$3.4 million to the appropriation for this activity, and reallocating the county share of the STRIDE work and training program for AFDC recipients added over \$2.1 million.

Child Support Enforcement

Over \$5.8 million was appropriated as part of a restructuring of child support enforcement activities. This initiative is designed to increase child support collections by:

- (1) using financial incentives to encourage counties and medical providers to establish paternity;
- (2) initiating more aggressive efforts to collect

support payments;

- (3) expanding to a statewide activity the administrative processing of child support matters;
- (4) modifying the guidelines to exclude income below \$550 per month and to increase to \$5,000 from \$4,000 the cap on net monthly income subject to the guidelines; and
- (5) allowing child support to follow the child in cases where someone other than the custodial parent is caring for the child.

The medical support statute was also modified to close loopholes which allowed obligors to avoid the medical support requirement when insurance was not available through an employer. Strict penalties were imposed on employers and unions that fail to comply with medical support orders.

MAXIS Computer System

More than \$15.7 million was added for MAXIS operations, bringing total funding to over \$29.3 million.

AFDC Grants

About \$303.4 million was appropriated for AFDC grants. Despite efforts to reduce forged documents and prevent mail thefts and losses, duplicate issuance of benefits is expected to cost about \$1.2 million. The Legislature decided not to shorten the period during which an AFDC check is valid to only seven days to reduce duplicate check issuance. This resulted in a cost of \$806,000. The child support restructuring initiative is expected to reduce AFDC costs by about \$5.1 million. Initiatives to expedite the establishment of paternity are expected to save another \$468,000 in AFDC costs, and faster recoupment of AFDC overpayments, obtained by increasing the percentage withheld from

subsequent benefit checks when an overpayment is the result of welfare fraud, is expected to save \$338,000. AFDC benefit levels, which have not increased since 1986, were left unchanged.

General Assistance

About \$98.2 million was provided for General Assistance (GA) grants. A savings of over \$7.2 million is anticipated by making undocumented and non-immigrant adults ineligible for GA. An appropriation of \$774,000 was provided to allow families on GA to continue receiving benefits when a child is temporarily absent from the home and placed in foster care.

Over \$6.4 million was transferred from GA to the new Group Residential Housing (GRH) account as part of the GRH initiative. A savings of \$200,000 is anticipated from additional efforts to shift GA recipients to the federal Supplemental Security Income (SSI) program. Almost \$2 million was transferred from the GA appropriation to the mental health activity as part of the GRH initiative.

Work Readiness Grants

About \$34.3 million was approved for Work Readiness (WR) grants. A savings of \$987,000 is anticipated through the imposition of new program sanctions and work requirements and by making undocumented and non-immigrant adults ineligible for WR.

Minnesota Supplemental Aid

About \$75.3 million was provided for the Minnesota Supplemental Aid (MSA) program. Efforts to downsize certain institutions for mental disease, or IMDs, so that they qualify for federal MA funding, is expected to reduce MSA costs by \$312,000. About \$31.8 million was transferred from MSA to the new Group Residential

Housing (GRH) account as part of the GRH initiative. About \$3.5 million was transferred from MSA to the mental health activity as part of the GRH initiative. Shifting some costs formerly paid out of MSA funds to several MA waiver programs is expected to reduce MSA costs by about \$1.9 million.

Minnesota Family Investment Program

Over \$21.6 million was provided for this initiative to encourage AFDC recipients to become self-sufficient by allowing them to retain more of their earnings. Field trial operations are expected to begin in April, 1994, in seven counties. Eventually, 5,000 families will participate. The appropriation for this activity includes a forecast adjustment of over \$2.4 million; transfers from AFDC, GA, and the Food Stamp Program of about \$14.7 million; and new funding of about \$4.5 million.

Child Care Fund

About \$47.8 million was provided to pay child care expenses for eligible persons. This includes a forecast adjustment of over \$6.6 million for persons entitled to child care assistance by law. An increase of \$3.5 million was approved for the basic Sliding Fee Child Care Program.

Mental Health and Regional Treatment Centers

Over \$520 million was provided for community mental health programs and for the operation of regional treatment centers (RTCs).

Mental Health

The salary base for this activity was reduced by \$507,000, and four staff positions were eliminated. State mental health grants were increas-

ed by about \$5.8 million as part of the Group Residential Housing initiative. Most of this funding resulted from transfers out of the MSA and GA programs. Downsizing of institutions for mental disease was expected to increase costs in this activity by \$654,000 as more persons are discharged from so-called IMDs to enable those facilities to qualify for federal MA payments. The Legislature transferred \$2.4 million from mental health to the Minnesota Housing Finance Agency for housing subsidies and \$240,000 to the Department of Jobs and Training for employability grants as part of the GRH initiative. About \$3.4 million was approved to provide additional community alternatives for persons with mental illness who reside in the Moose Lake Regional Treatment Center as that facility is closed. Residential programs and community support programs received three percent rate increases in FY 1995, at a cost of \$1 million. A new children's integrated mental health services initiative was approved, with the goal of establishing comprehensive children's mental health service systems. An appropriation of \$310,000 and three new staff positions was approved for administration, and \$560,000 was made available for grants to local entities.

Regional Treatment Centers

About \$6.4 million was appropriated for residential facility management, and almost \$436.7 million was made available for the operation of the regional treatment centers, the state nursing home at Ah-Gwah-Ching, and state-operated community services (SOCS).

The continuing reductions in the numbers of persons with mental retardation residing at regional treatment centers is expected to save over \$16 million and eliminate 384 staff positions. In addition, efforts to downsize Faribault RTC are budgeted to save about \$8.5 million and eliminate 253 jobs, while the closure of Moose Lake RTC is expected to save about \$6.9 million and reduce staffing by 101. A \$19.6 million salary supplement was approved, but

salary funding was reduced by about \$13.6 million, forcing the RTCs to absorb anticipated annual inflation of 3.5 percent. Over \$3.6 million was appropriated to supplement enhanced waiver payment rates to more adequately reimburse providers for the costs of serving higher-need individuals being relocated from RTCs to community settings. An appropriation of almost \$3 million was approved to restore 50 positions at the RTCs.

Economic Opportunity

The 1993 session appropriated almost \$10 million of the operations of Community Action Programs (CAP) in Chapter 369 to replace the traditional transfer of federal block grant weatherization funds which have been eliminated by the federal government.

These funds traditionally went to their CAPs to operate the agencies. The federal ban on this transfer leaves more money in weatherization but would have left the CAPs significantly short of their normal operating funds. The session also appropriated for other operating funds of the CAPs.

Chapter 369 also increased the appropriation for the Head Start program by 35 percent by appropriating more than \$23 million for Head Start. The new law also grandfathers all Head Start grantees at the allocation received in FY 1993 (the most recent year prior to this budget.)

Chapter 369 also appropriated \$1.2 million for food shelf distributions; and appropriated \$100,000 for a pilot program in northwestern Hennepin County involving the coordination of a social service delivery system. The funding will be through the Housing Finance Agency.

Health

Appropriations to the Minnesota Department of Health (MDH) exceeded \$107.6 million, with about \$75.4 million coming from the General Fund; over \$28.7 million from the State Government Special Revenue Fund; \$395,000 from the Metropolitan Landfill Contingency Action Fund; and almost \$3 million from the Trunk Highway Fund.

Health Protection

This activity was appropriated about \$14.1 million from the General Fund, about \$18.1 million from the Special Revenue Fund, and \$351,000 from the Landfill Fund. MDH received \$230,000 to implement new DNA-based rapid laboratory diagnostic techniques to improve the success of infectious disease investigations. Administrative funding was reduced by \$359,000. The Environmental Health Program received almost \$3.7 million in additional funding because of a fore-

cast adjustment in the cost of monitoring drinking water quality. Fee-generating activities were moved from the General Fund to the State Government Special Revenue Account. Similar transfers appear throughout the MDH budget. The total amount transferred was over \$27 million. An additional administrative reduction of \$276,000 and four positions occurred in the well management activity. The base level appropriation for the Drinking Water Monitoring Program was cut by about \$1.3 million. An OSHA program at MDH was transferred to the Department of Labor and Industry. The move reduced the agency budget by \$832,000 and six staff positions. The Infectious Waste Control Program was eliminated, saving \$228,000.

Health Care Resources and Systems

This activity was appropriated about \$7.4

million, including about \$6.7 million from the Special Revenue Fund and \$700,000 from the General Fund. An appropriation of \$419,000 and four new staff positions were provided to regulate licensed chemical dependency counselors. This function had previously been housed in the Department of Human Services.

Health Delivery Systems

This activity received over \$56.6 million from the General Fund and about \$2.8 million from the Trunk Highway Fund. Funding for the women, infants and children (WIC) food supplement program was increased by \$4.2 million. The Maternal and Child Health (MCH) Grant Program was expanded by \$800,000, and MCH family planning received an extra \$3.6 million. Treatment grants for services to children with handicaps was cut by \$1.6 million. Emergency Medical Services regional grants were increased by \$200,000. The anti-smoking advertising budget was eliminated, saving \$1.2 million.

Health Support Services

This activity received about \$4.1 million from the General Fund, about \$4 million from the Special Revenue Fund, \$44,000 from the Landfill Fund, and \$164,000 from the Trunk Highway Fund. About \$2.8 million in funding for indirect costs was transferred from the General Fund to the Special Revenue Fund. An additional General Fund reduction of \$268,000 was taken in management support.

Health-Related Regulatory Boards

About \$12.8 million was appropriated for the activities of the 12 health-related licensing boards. The boards are self-supporting, with all revenues raised through fees assessed against regulated individuals and entities.

Health Department

The Health Department was appropriated about \$54.2 million in 1994 and nearly \$53.5 million in 1995 for health care delivery, the Office of Rural Health and management support.

Included in activities funded at the Health Department are rule-making for the creation of integrated service networks; studies of community pharmaceutical services, cooperative associations, and several other MinnesotaCare issues; start-up loans and technical assistance for integrated service networks; and management support.

MinnesotaCare Grants

Grants for the operation of the MinnesotaCare program totalled about \$45 million in 1994, and about \$105.4 million in 1995.

These expenditures are for the provision of health care through the MinnesotaCare program. A number of adjustments to the MinnesotaCare program were enacted in 1993 as part of Chapter 345. Included in these adjustments are the inclusion of inpatient mental health and chemical dependency benefits, bridging the gap for applicants, and an expansion of medical assistance eligibility to 275 percent of the poverty level for pregnant women and infants. Adult dental benefits were limited to preventive care, at a savings of \$4.4 million for the biennium.

Funds were transferred from the HCA Fund to the General Fund for the Medical Assistance and General Assistance Medical Care Programs. These programs will see an expansion in services due to enrollment through the MinnesotaCare application process. Slightly under \$11 million was transferred for these purposes in FY 1994 and about \$26 million in FY 1995.

Totals

Total appropriations for MinnesotaCare contained in Chapter 345, including transfers to other funds, were about \$76.7 million in FY 1994 and \$160 million in FY 1995.

The Department of Human Services was appropriated about \$7.8 million for administration in FY 1994. In 1995 Human Services received about \$10.9 million. A substantial portion of these funds is for administration of the MinnesotaCare program. Included in the Human Services appropriations are additional administrative expenditures associated with providing inpatient mental health and chemical dependency benefits to the MinnesotaCare plan and the "bridge the gap" feature which allows coverage of applicants who are waiting to see if they qualify for Medical Assistance.

In addition to these expenditures, other departments of state government were appropriated a total of about \$4 million in 1994 and about \$4.6 million in 1995 for duties relating to the MinnesotaCare and concurrent legislation.

Among these appropriations were the following: the Higher Education Coordinating Board was appropriated \$1.3 million for the biennium for educational programs, including nurse practitioner education; the University of Minnesota was appropriated about \$4.6 million in part to expand its Nurse Practitioner Program; the Department of Revenue was appropriated about \$2.4 million for the biennium, for current revenue collections and for electronic data transfers; the Legislature was appropriated \$350,000 over the biennium, for staffing in regard to MinnesotaCare regulation.

Cost Containment

Chapter 345 made a number of changes to MinnesotaCare and the concurrent health care programs that were established in 1992. The

1993 legislation has been referred to as the Cost Containment Act of 1993. This Act appropriated about \$57.2 million in FY 1994, and slightly more than \$113.7 million in FY 1995, and through taxes and fees raised enough funds to cover these expenditures. The appropriations for MinnesotaCare in 1994 and 1995 cover grants, program administration, studies, and subsidies for enrollees. In addition, the Act authorized a transfer of \$11 million in FY 1994 and \$24 million in FY 1995 from the Health Care Access Fund to the General Fund to cover increased expenditures in the Medical Assistance and General Assistance Medical Care programs and the MAXIS computer system as a result of the MinnesotaCare program. The Act also continues the authority to dedicate enrollment and premium fees, estimated to be \$8.5 million in FY 1994 and \$20.2 million in FY 1995, to the MinnesotaCare Program.

Receipts

MinnesotaCare raises funds through a series of taxes and fees. In 1994 MinnesotaCare receipts are projected to be nearly \$92 million, and in 1995 receipts are projected to be about \$166.7 million. These receipts will allow \$30,594,000 to be carried forward to FY 1996.

The five cent cigarette tax dedicated to MinnesotaCare raises nearly \$8.2 million in 1994, and is transferred to the General Fund after that year. A hospital tax of two percent of gross revenues is projected to raise \$56.3 million in 1994 and \$41.3 million in 1995. A provider tax of two percent of gross revenues which becomes effective on January 1, 1994, is projected to raise \$29.1 million in 1994 and \$118.8 million in 1995. Premiums paid by enrollees in MinnesotaCare account for a projected \$8.5 million in 1994 and \$20.2 million in 1995. A payback of funds by the Department of Employee Relations for the PEIP program will contribute \$592,000 in 1994 and \$1.2 million in 1995.

Radiation Effect

A study is under way to determine if the MinnesotaCare program has a "radiation" effect. The radiation effect is a projected increase in costs of the Medical Assistance and General Assistance Medical Care programs due to increased enrollment. When a person enrolls for MinnesotaCare, it is often determined that the person is in fact eligible for either one of the current MA or GAMC programs. That person is then referred to the appropriate program. The radiation effect is the increase in costs in these programs due to enrollment through the MinnesotaCare program.

The 1995-97 Biennium

Total expenditures for the MinnesotaCare pro-

gram are projected to rise for the 1995-1997 biennium. Expenditures for the 1993-1995 biennium are \$236.8 million. Estimates of spending for the 1995-1997 biennium are \$687.3 million, an increase of over \$450 million.

A portion of these increases is due to the projected expansion in enrollment of the MinnesotaCare program. Current revenues are projected to fall short of the levels needed to offset these anticipated appropriations. Currently, the Health Care Commission and the relevant state agencies are preparing a plan to outline how these increased expenditures are to be funded. If the funds are not sufficient to cover expenses, current law requires the MinnesotaCare program to cut benefits or limit the number of enrolled persons; the program is not allowed to operate with a deficit.

Veterans

Veterans Nursing Homes Board

The board received almost \$33 million from the General Fund and will be allowed to retain about \$24.3 million in dedicated receipts. This left the board short of its planned expenditures by about \$2 million, which is described as a "revenue challenge" the board must meet by increasing revenues or cutting costs. Salary funds for the homes were cut by about \$1.5 million, but operating costs were increased by about the same amount. About \$1.2 million was saved by delaying the opening of the new Luverne Veterans Home by three months. A \$600,000 appropriation was made available to maintain beds slated for closure at the Minneapolis Veterans Home.

Department of Veterans Affairs

Chapter 192 provided about \$6.2 million for the operation of the department, including \$310,000 to train county veterans service officers; over \$1 million each year to meet the emergency financial and medical needs of veterans; and \$500,000 for a grant to the Vinland National Center, which provides rehabilitative services to veterans with handicapping conditions.

Veterans Service Organizations

Veterans service organizations, such as the Veterans of Foreign Wars, the Military Order of the Purple Heart, and the Disabled American Veterans, received a total of \$106,000 for the biennium.

Transportation

Department of Transportation

The 1991 Legislature appropriated about \$2.1 billion to the Department of Transportation (MnDOT) for the 1993-95 biennium. This appropriation includes \$32 million for aeronautics, \$20.6 million for rural transit, \$2.3 million for rails and waterways, \$4.4 million for motor carrier regulation, about \$638.8 million of pass-through funds for the county and municipal state aid systems, and about \$1.4 billion for state highway and support programs. This appropriation represents only a slight increase over the previous biennium.

Highways

Of the amount appropriated for state highway programs, \$676 million is for construction on the trunk highway system and \$339.5 million is for state road operations and maintenance. This represents a decrease of approximately \$136 million in construction funds (17%) and an increase of \$50.5 million (17%) for road operations and maintenance over the previous biennium.

For county state aid highways, the Legislature appropriated about \$494.8 million, an increase of almost three percent over the previous biennium, and for municipal state aid streets, the appropriation was almost \$144 million, an increase of eight percent over the 1991-93 biennium. The funds for the county and municipal aid system are dedicated by constitutional mandate.

Metropolitan Transit

The Legislature appropriated \$60.7 million from the General Fund to the Regional Transit Board

(RTB) for metropolitan area transit programs -- a \$7 million (14%) increase over the previous biennium. Of this amount, \$27 million is dedicated to the Metropolitan Transit Commission. This cannot be reduced. An additional \$26.8 million (6% increase) is dedicated to Metro Mobility. This appropriation cannot be increased. The remaining amount is available to the RTB for other regular route services, community-based services and agency costs.

State Patrol

The Legislature appropriated \$86 million to the Department of Public Safety (DPS) for the state patrol, an increase of \$2.8 million over the previous biennium. This increase is funded through increased drivers' license fees and is to be used to bring the patrol staffing up to full complement. Statutory language also directs that not more than five administrative support positions may be filled by state troopers and that the state patrol is not to reduce the hours of operation and level of service at the Saginaw, Worthington and Erskine weigh stations.

Driver and Vehicle Services

The Department of Public Safety was appropriated \$59.7 million for its licensing, registration, examination and other services related to vehicle ownership and operation. Under these programs, DPS was also directed to develop new drivers' licenses and identification cards that are impervious to alteration.

Drivers' license fees increased by \$3.50 for each classification of license or identification card. Of this increase, one dollar goes to the production of the new drivers' licenses and \$2.50 is allowed to remain with the selling regis-

trar in the case of city, county and private registrars, or is returned the trunk highway fund for licenses sold by the state.

The Legislature placed a surcharge of 25 cents on requests for copies or electronic transmittal of public information concerning motor vehicle registrations, drivers' licenses or Minnesota identification cards.

Airplane Appropriation

The Budget Contingency Plan, contained in Chapter 4 of the laws passed during the special session, includes an appropriation of \$2.7 million to MnDOT for the purchase of a replacement state airplane.

Agriculture

Department of Agriculture

The 1993 Legislature appropriated \$46.3 million to the Department of Agriculture for the 1993-95 biennium, which is a 76.4 percent increase over the last biennium. The large increase in direct appropriations over the last biennium is due to the transfer of eight fee-funded programs, totalling \$18.6 million, from open-and-standing to direct appropriations. This transfer is discussed in the following section. The two largest sources of appropriations to the Department of Agriculture are the General Fund (57.7%) and the Special Revenue Fund (41.1%).

The table below provides a list of the funds along with the amounts and percentage of funding.

DEPARTMENT OF AGRICULTURE
Biennial Appropriations by Fund
(000s)

Fund	1993-95	Percent of Total
General	\$ 26,740	57.7
Environmental	544	1.2
Special Revenue	<u>19,063</u>	<u>41.1</u>
Total	\$ 46,347	100.0%

The two major areas of spending for the Department of Agriculture are for the agricultural protection service (67.9%) and administrative supports and grants (25.1%).

The following table provides a list of appropriations, along with the amounts and percentage of total appropriations for each purpose.

DEPARTMENT OF AGRICULTURE
Biennial Appropriations by Purpose
(000s)

Purpose	1993-95	Percent of Total
Protection Service	\$ 31,453	67.9
Promotion and Marketing	3,284	7.1
Administration and Financial Service	<u>11,610</u>	<u>25.1</u>
Total	\$ 46,347	100.0%

Included in the appropriations for administrative supports and grants is \$300,000 for agricultural information centers. Included in the appropriations for promotion and marketing is \$1 million to the Rural Finance Authority (RFA) to assist in the financing of new ethanol production facilities and \$200,000 for ethanol promotion and education.

Statutory to Direct Appropriations

The 1993 Legislature changed the accounts for eight fee-funded programs from open-dedicated to direct appropriations. The following table lists each account and the amount appropriated for each in the current biennium.

DEPARTMENT OF AGRICULTURE
Special Revenue Fund Statutory to Direct Appropriations
(000s)

Account	1993-95 Biennium
Pesticide Regulatory	\$ 9,000
Fertilizer Inspection	1,300
Seed Potato Inspection	800
Seed Inspection	1,200
Commercial Feed Inspection	1,300
Fruit and Vegetable Inspection	1,240
Dairy Services	3,161
Livestock Weighing	590
Total	\$ 18,591

Prior to this change, money spent on these programs did not appear as direct appropriations from the Legislature. With this change, the money necessary to operate the programs funded by these accounts will need to be appropriated by the Legislature.

Board of Animal Health

The 1993 Legislature appropriated \$4.1 million to the Board of Animal Health from the General Funds for the 1993-95 biennium, which is a 1.8

percent decrease over the last biennium. Included in the appropriation is \$400,000 for an integrated pseudorabies control and research program.

Ethanol Development Account

The 1993 Legislature reduced the cap on statutory appropriations for payments from the Ethanol Development Account to ethanol producers from \$20 million to \$15.8 million for the current biennium. Under the Ethanol Development Program, ethanol producers in Minnesota are paid 20 cents per gallon of ethanol produced, up to a maximum of \$3 million per producer per year.

Agricultural Utilization Research Institute

The 1993 Legislature appropriated \$7.9 million to the Agricultural Utilization Research Institute (AURI) for the 1993-95 biennium. This is the first direct appropriation to AURI. In prior years, appropriations were made directly to Minnesota Technology, Inc. for grants to AURI.

Economic Development

The appropriation for the Department of Trade and Economic Development in Chapter 369 was more than \$63 million and included the following initiatives in Community Development, Business Development and Tourism.

Community Development:

- More than \$11 million for economic recovery grants.
- A total of \$6 million for the existing Challenge Grant Program which provides grants to out-state businesses. This program triples be-

cause each challenge grant must include an equal investment by the business person or group applying, and an equal match from private sources such as the McKnight Foundation.

- A new \$6 million Challenge Grant Loan Program for Minneapolis, St. Paul and some inner-ring suburbs, with the goal of assisting minority and low-income communities in creating more jobs. This program, like the outstate Challenge Grant Program, demands a match by the business person or entity and a private source.

- A total of \$500,000 for a Capital Access Program for small businesses.
- An appropriation of \$1 million for tourism loan guarantees.
- A total of \$200,000 in grants to employers who employ a high percentage of handicapped workers at jobs with reasonably high wages and benefit levels and opportunities for advancement.
- A total of \$100,000 for Community Development Corporation grants.

Business Development:

- A little less than \$2.2 million for the operation of the Job Skills Partnership Program, which helps employers train workers for specific jobs.
- A total of \$900,000 for small business centers at various college campus sites.
- A total of \$100,000 for improving access to business and economic information through a data system.

- And \$50,000 for the second stage of a pilot program for multi-community business retention efforts in the north metropolitan area.

Tourism:

- A total of \$4 million for the Tourism Division for matching grants for marketing purposes.
- A total of \$428,000 for grants to the Minnesota Film Board.
- A total of \$300,000 for a matching grant for the Women's NCAA Basketball Tournament.
- A total of \$200,000 for tourism promotion.
- A total of \$50,000 for the Lake Superior Center Authority.
- A total of \$30,000 for the International Ringette Tournament (a type of hockey) to be held in South St. Paul.

Chapter 369 also appropriated \$200,000 for the World Trade Center, \$210,000 for Trade Office representation in foreign countries, and \$150,000 for the Cold Weather Research Center in International Falls.

Housing

The 1993 session in Chapter 369 appropriated more than \$38.8 million for various housing programs, including:

- A total of \$2.5 million for rental housing assistance for persons with mental illness; \$100,000 of that amount is for persons in a mental health crisis situation.
- \$500,000 for the home sharing program.
- Almost \$7 million for the Affordable Rental Housing Investment Fund.
- \$1.1 million for the purchase of rehabilitation and construction of transitional housing for homeless persons.
- \$2 million for FY 1994 for community rehabilitation involving boarded-up houses. The second year appropriation of \$2 million was vetoed by the Governor.
- \$374,000 for the Urban Indian Housing Program.
- Almost \$3.4 million for tribal Indian housing.

- \$372,000 for the Minnesota Rural and Urban Homesteading Program.
- Almost \$8.6 million for the Housing Rehabilitation and Accessibility Program.
- Almost \$3.6 million for the Housing Trust Fund for low-income family housing aid.
- \$3 million for rent assistance and family stabilization.
- About \$3.8 million for family homeless prevention.

- \$366,000 for prevention of homelessness due to mortgage foreclosure or eviction.
- \$80,000 for the Minnesota Housing Partnership to work with regional housing network organizations.
- \$50,000 for counseling senior citizens on reverse mortgages.

Chapter 369 appropriated \$880,000 to the Department of Jobs and Training for an existing program of preventing homeless problems with a housing subsidy program for individuals and families.

Natural Resources

Department of Natural Resources

The 1993 Legislature appropriated \$303.4 million to the Department of Natural Resources (DNR) for the 1993-95 biennium. This is a 4.1 percent increase from the last biennium. The two major funding sources for the DNR are the General Fund (52.9%) and the Game and Fish Fund (34.7%). The table below provides a list of the funds along with the amounts and percentage of total funding.

DEPARTMENT OF NATURAL RESOURCES
Biennial Appropriations by Fund
(000s)

Fund	1993-95	Percent of Total
General	\$ 160,536	52.9
Game and Fish	105,311	34.7
Natural Resources	37,063	12.2
Permanent School	478	0.2
Total	\$ 303,388	100.0%

The three largest areas of spending for the DNR are fish and wildlife management (24.7%), forest management (17.7%) and parks and

recreation management (14.9%). The following table provides a list of appropriations along with the amounts and percentage of total appropriations for each purpose.

DEPARTMENT OF NATURAL RESOURCES
Biennial Appropriations by Purpose
(000s)

Purpose	1993-95	Percent of Total
Mineral Resources Management	\$ 9,465	3.1
Water Resources Management	15,552	5.1
Forest Management	53,777	17.7
Parks and Recreation Management	45,213	14.9
Trails and Waterways	22,420	7.4
Fish and Wildlife Management	74,945	24.7
Enforcement	32,051	10.6
Operations Support	49,965	16.5
Total	\$ 303,388	100.0%

Not included in the appropriation are \$180,000 for a groundwater model for the seven-county metropolitan area and \$228,000 for the forest improvement program vetoed by the Governor. Included in the General Fund appropriation for fish and wildlife management is \$2.6 million for Reinvest in Minnesota (RIM) programs of game and fish, critical habitat and wetlands.

The 1993 Legislature also appropriated \$240,000 in FY 1993 for a deficiency that resulted from leased lake shore sales (\$120,000) and legal costs of litigation and settlement of disputes relating to the 1837 Treaty with the Chippewa (\$120,000).

Dept. of Natural Resources Bonding

The 1993 Legislature appropriated \$820,000 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 1993.

DEPARTMENT OF NATURAL RESOURCES BONDING
Appropriations by Purpose
(000s)

Purpose	Amount	Percent of Total
Stillwater Flood Control Project	\$ 200	24.4
State Forest In-Holdings	80	9.8
Dam Repair and Betterment	100	12.2
Wildlife Management Areas - Byrne	90	11.0
Split Rock Creek Dam	350	42.7
Total	\$ 820	100.0%

Agreement with the Mille Lacs Band of Chippewa (Rejected by House)

During the 1993 legislative session, there were extensive proceedings on a proposed agreement between the state and the Mille Lacs Band of Chippewa to settle a lawsuit over the existence of hunting, fishing and gathering rights reserved in an 1837 Treaty with the Chippewa. A bill ratifying the agreement passed the Senate and failed in the House of Representatives. The bill would have provided the Band with \$8.6 million and 15,000 acres of state land. In return, the Band would limit the exercise of their hunting, fishing and gathering activities as provided for in the agreement. The two major concessions the state would have received as part of the agreement were:

- (1) limitations on the use of traditional methods (nets and spears) by Band members; and
- (2) a prohibition on the commercial taking of game fish and big game.

Without an agreement with the Band, the existence and the extent of the hunting, fishing and gathering rights of Band members will be decided in the federal court system.

Board of Water and Soil Resources

The 1993 Legislature appropriated \$24 million from the General Fund to the Board of Water and Soil Resources (BOWSR) for the 1993-95 biennium, which is a 38 percent increase over the last biennium. The major source of the increase was pass-through funding to local governments that included an additional \$3.65 million for implementation of the 1991 Wetlands Conservation Act, a transfer of the \$1.4 million shoreland management grant program from the Department of Natural Resources and \$1.1 million for a Minnesota River erosion cost-share initiative. Also included in the appropriations to BOWSR are \$1.8 million for implementation of the Reinvest in Minnesota Conservation Reserve (RIM-Reserve) program.

The Legislature also appropriated \$750,000 from the Bond Proceeds Fund to BOWSR for RIM-Reserve easements (\$500,000) and for Redwood River dam land acquisition (\$250,000).

Zoological Board

The 1993 Legislature appropriated \$10.1 million to the Zoological Board for the 1993-95 biennium, which is a 31 percent decrease from the last biennium. The large decrease is due to the 1992 Legislature removing the admission receipts from being deposited in the General Fund. With this change, the gate receipts do not need to be appropriated to the Zoological Board.

Minnesota-Wisconsin Boundary Area Commission

The 1993 Legislature appropriated \$259,000 from the General Fund to the Minnesota-Wisconsin Boundary Area Commission for the 1993-95 biennium, which is a two percent increase over the last biennium. The appropriation is available only to the extent that it is matched by the State of Wisconsin.

Citizen's Council on Voyageurs National Park

The 1993 Legislature appropriated \$144,000 from the General Fund to the Citizen's Council on Voyageurs National Park for the 1993-95 biennium, which is a 1.4 percent increase over the last biennium. The Governor vetoed \$72,000 of the appropriation, which was appropriated for the second year of the biennium.

Science Museum of Minnesota

The 1993 Legislature appropriated \$2.2 million from the General Fund to the Science Museum of Minnesota for the 1993-95 biennium, which is an 8.9 percent decrease over the last biennium.

Minnesota Academy of Science

The 1993 Legislature appropriated \$72,000 from the General Fund to the Minnesota Academy of Science for the 1993-95 biennium, which is a 5.9 percent increase over the last biennium.

Minnesota Horticultural Society

The 1993 Legislature appropriated \$144,000 from the General Fund to the Minnesota Horticultural Society for the 1993-95 biennium, which is a 0.7 percent increase over the last biennium.

Legislative Commission on Minnesota Resources

LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES Biennial Appropriations by Fund (000s)

Fund	1993-95	Percent of Total
Minnesota Future Resources Fund	\$ 14,662	35.5
MN Env. and Nat. Res. Trust Fund	24,600	59.6
Special Revenue - Oil Overcharge	2,012	4.9
Total	\$ 41,274	100.0%

The 1993 Legislature appropriated \$41.3 million from the three funds used for natural resource projects recommended by the Legislative Commission on Minnesota Resources for the 1993-95 biennium, which is a 15.4 percent increase over the last biennium. The increase is due to the additional money appropriated for the parks and trails acceleration from the Environment and Natural Resources Trust Fund (\$10.3 million). The two major sources of funding for natural resource projects are the Minnesota Environment and Natural Resources Trust Fund (59.6%) and the Minnesota Future Resources Fund (35.5%). The above table provides a list of the funds, along with the amounts and percentages of total funding.

LEGISLATIVE COMMISSION ON MINNESOTA RESOURCES Biennial Appropriations by Purpose (000s)

Purpose	1993-95	Percent of Total
LCMR Administration	\$ 695	1.7
Agriculture	4,707	11.4
Energy	1,068	2.6
Forestry	433	1.1
General	1,942	4.7
Information/Education	2,379	5.8
Land	975	2.4
Minerals	179	0.4
Recreation	17,384	42.1
Water	4,085	9.9
Wildlife, Fisheries, Plants	7,427	18.0
Total	\$ 41,274	100.0%

The three areas of spending receiving the

largest appropriation amounts from the three funds are recreation (42.1%), wildlife (18%) and agriculture (11.4%). The table above provides

a list of appropriations, along with the appropriation amounts and percentage of total funding for each of the funding categories.

Pollution Control

Pollution Control Agency

The 1993 Legislature appropriated \$77.9 million to the Pollution Control Agency (PCA) for the 1993-95 biennium, which is a 22 percent increase over the last biennium. Most of the increase is funded by revenue from new solid and hazardous waste fees which are discussed in the following section. The two major sources of appropriations for the PCA are the Environ-

POLLUTION CONTROL AGENCY
Biennial Appropriations by Fund
(000s)

Fund	1993-95	Percent of Total
General	\$ 16,052.0	20.6
Environmental	57,578.5	73.9
Metro Landfill Contingency	2,594.0	3.3
Special Revenue	1,710.0	2.2
Total	\$ 77,934.5	100.0%

mental Fund (73.9%) and the General Fund (20.6%). The Environmental Fund appropriations consist of fees collected by the PCA and other money transferred to the fund. The table above provides a list of the funds along with the amounts and percentage of total funding.

The two areas of the PCA receiving the highest percentage of funding are Groundwater and Solid Waste Control (36.1%) and General Support (17.4%). The following table provides a list of appropriations by general purpose along with the appropriated amount and the percentage of total funding.

Not included in the appropriation amounts is \$500,000 for Minnesota's contribution to the

Great Lakes Protection Fund, which was passed by the Legislature and vetoed by the Governor.

POLLUTION CONTROL AGENCY
Biennial Appropriations by Purpose
(000s)

Purpose	1993-95	Percent of Total
Water Pollution Control	\$13,283.0	17.0
Air Pollution Control	12,620.0	16.2
Groundwater and Solid Waste	28,154.0	36.1
Hazardous Waste Pollution	10,233.5	13.1
Regional Support	104.0	0.1
General Support	13,540.0	17.4
Total	\$ 77,934.5	100.0%

The 1993 Legislature also appropriated \$11 million to the PCA from the Bond Proceeds Fund to continue the Combined Sewer Overflow Grant Program.

Environmental Fees

The 1993 Legislature enacted new and expanded environmental fees to pay for the cost of environmental protection and cleanup. They are:

- (1) A new solid waste fee of \$2 per year per household for residential customers and 12 cents per loose cubic yard of solid waste for nonresidential customers;
- (2) A revised hazardous waste generator tax that assesses a base fee on all but the very smallest generators of hazardous waste. It includes a two-tier, volume-based fee on hazardous waste treatment and disposal;

- (3) A doubling of the Petroleum Tank Release Cleanup Fee from one cent per gallon of petroleum products to two cents per gallon; and
- (4) An expansion of the types of industries that must report toxic chemical releases and pay the state Pollution Prevention Fees based on the amount released.

The solid waste fee will raise \$7 million per year, of which \$3 million per year is to replace General Fund money for the groundwater and solid waste division activities in the PCA, with the remaining \$4 million per year for landfill investigations and cleanup. With the replacement of General Fund financing by the fee, the groundwater and solid waste division of the PCA will be completely fee-supported. For FY 1994, \$200,000 of the revenue from the fee is for the Department of Commerce for development of a formula for insurance companies to buy out their liability for landfill cleanup.

The hazardous waste fee is projected to raise \$3.6 million per year, with the revenue used for cleanup of hazardous waste sites under the Superfund Program. The hazardous waste generator tax will provide a stable source of revenue for the Superfund Program until the year 2004, when the tax is scheduled to sunset.

The doubling of the petroleum tank release cleanup fee will increase the amount potentially available for payment under the petroleum tank release cleanup program from \$30 million per year to \$60 million per year. The money from the fee is placed in the Petroleum Tank Release

Cleanup Account, for which there is a statutory appropriation for reimbursement for cleanup of petroleum tank release sites.

The expansion of industries being required to pay the pollution prevention fees will raise about \$200,000 per year beginning in FY 1995. The revenue in the current biennium will be used for the Minnesota Technical Assistance Program (MN TAP). MN TAP is a cooperative program with the University of Minnesota to provide technical assistance to generators of hazardous waste.

Office of Waste Management

The 1993 Legislature appropriated \$41.9 million to the Office of Waste Management (OWM) for the 1993-95 biennium, which is a 2.3 percent increase over the last biennium. The main source of increase is a \$1.5 million appropriation for grants to multi-county project boards for solid waste composting facilities.

Of the total appropriations to OWM, \$39.8 million (or 95%) is from the General Fund and \$2.2 million (or 5%) is from the Environmental Fund. The funding to the OWM from the Environmental Fund is for costs related to the Toxic Pollution Prevention Act (TPPA) which was enacted in 1990. The funding for the TPPA is from a fee paid on toxic pollution releases. Within the General Fund appropriation to the OWM is \$28 million for recycling grants to counties based on population. The recycling grants program was established as a part of recycling legislation in 1989.

Training and Protection of Work Force

Workers' Compensation

The 1993 session passed a law mandating the

pass-through of more than \$400 million in workers' compensation reserve surplus to policy-holding and self-insured employers. The surplus declared by the state-created Workers'

Compensation Reinsurance Association was primarily the result of better than expected investment performance of reserves. It had been scheduled to be rebated to insurance companies and self-insured employers, but the legislation mandated the rebates to the policyholders -- the ultimate payers of the reinsurance premiums paid by the insurance companies. At the time of publication, this law is being appealed by insurance companies.

The Legislature also averted a possible collapse of the state-created State Fund Mutual Workers' Compensation Insurance Company.

The State Fund ran into a fiscal crisis when the president of the company invested some of the funds badly. Expert opinion found that the State Fund performed extremely well in its underwriting function, and the Governor and the Legislature decided to keep the State Fund alive as a yardstick for the private sector. This was done by pledging \$200 million of the Workers' Compensation Reinsurance Association resources to serve as emergency reserves for the State Fund.

The Legislature also:

- Exempted nursing homes whose rates are set by Medical Assistance from rate reductions under the Workers' Compensation Law.
- Repealed a provision which mandated two insurance company turn downs in writing to get access to the Assigned Risk Plan. The law reverts to the previous system to employers rejected by one licensed insurance company.
- Appropriated \$710,000 from the Special Compensation Fund to litigate ergonomic violation cases under OSHA.
- Appropriated \$5 million from the Special Compensation Fund for the Daedalus Imaging Project.

- Appropriated \$200,000 from the General Fund for grants to the Vinland Rehabilitation Center for rehabilitation services.

Unemployment Compensation

The Legislature made a small change to give workers eligible for unemployment compensation an opportunity to try a job substantially different from the worker's customary job, without automatically losing unemployment compensation eligibility. Under the new provision, a worker can voluntarily discontinue such a job within 30 days and return to unemployment compensation eligibility.

Dislocated Workers

The 1993 session of the Legislature made significant changes in the Dislocated Worker Law. The Dislocated Worker Program is financed by a 0.1 percent tax on the portion of payroll subject to the unemployment compensation tax. It raises a maximum of \$14.30 a year per employee for a total revenue yield of more than \$20 million a year. A portion of that amount (\$10 million a biennium) had been transferred to the General Fund in past years. The 1993 session reduced that transfer to \$5.3 million.

The new law separates the program from the ongoing federal Dislocated Worker Program and increases the flexibility of the program to provide more services to workers losing jobs in small layoffs throughout the state.

Displaced Homemakers

The 1993 session in Chapter 369 appropriated more than \$2.7 million for displaced homemakers. This involves training and services to homemakers who have been out of the work force and are forced to return to the work force.

because of divorce, death of a spouse, etc.

Summer Youth Employment

The 1993 session appropriated about \$7.9 million for summer youth employment. All but about \$2.3 million was allocated to the current fiscal year. Of that amount, \$750,000 was made immediately available (before the July 1, 1993, start of the fiscal year) to allow for the organization of the program before the school year ended.

The Legislature also expanded the Targeted Youth Program, for youth unemployment and housing, by adding \$400,000 to the base appropriation.

Child Labor

The 1993 Legislature limited employment hours of high school students aged 16 and 17.

Under the new law, youths in this age group will not be allowed to work after 11 p.m. prior to a school day or before 5 a.m. on a school day. Students with a note from their parent or guardian will be allowed to work a half-hour later in the evening and an hour earlier in the morning.

Youth Apprenticeship Programs

The Legislature appropriated \$1 million to develop and implement comprehensive youth apprenticeship programs. The programs are part of a system established to:

- assist individuals in planning their future;
- integrate work-based learning into the curriculum;
- coordinate elementary, secondary, and post-secondary education with related gov-

ernment programs; and

- expand educational opportunities for students through collaborative efforts between secondary institutions, postsecondary institutions, and prospective employers.

The Education and Employment Transitions Council was established to facilitate the development and implementation of youth apprenticeship programs. The Department of Education will assist the council in the development of programs. A comprehensive youth apprenticeship program must integrate academic instruction and work-related learning in the classroom and at the work place. To the extent possible, community service also should be integrated into the programs established. The council must establish and convene committees to develop and recommend industry and occupational skill standards for the industries in which apprentices will be placed.

Youth apprenticeship program objectives include:

- integrate students' secondary and postsecondary academic instruction and work-related learning so that they may qualify for an apprenticeship or other high-skills training program;
- beginning in junior high school, expand the range of skilled occupations available to students to explore as career options;
- improve students' abilities to use academic skills in the work place;
- increase the number of qualified students preparing to enter skilled industries and occupations and work with employers to improve students' access to such industries and occupations;
- involve representatives of business, industry and occupations and organized labor in planning, developing and evaluating the

program, including designing the work-related curriculum;

- enable employers to assess students' skills and abilities before accepting the students as apprentices or employing them; and
- expand employers' interest in and willingness to invest in training students for skilled occupations.

Representatives of secondary schools, post-secondary schools, and employers must work collaboratively in managing the programs established. Competency-based measures must be used to evaluate students' progress in apprenticeship programs. Students participating in a

youth apprenticeship program must sign an agreement with participating entities that delineates the terms and requirements of the program. Educational institutions and employer groups participating in the program must make a five-year commitment to implementing the program they establish.

Bureau of Mediation Services

The Legislature appropriated over \$3.5 million from the General Fund to the Bureau of Mediation Services. Of this appropriation, \$222,000 was for grants to area labor-management committees, and \$60,000 was for total quality management education grants.

Public Employees

Retirement

Two early retirement incentive programs were enacted by the 1993 Legislature: one designed specifically for teachers and other school employees, the second for state employees and other local government employees. The program for school employees, found in Chapter 224, Article 8, has two facets. The first applies specifically to teachers. It requires school boards, joint vocational-technical districts, and intermediate school districts to increase the multiplier used to determine benefit levels by 0.1 percent a year for as many as 30 years for teachers who have at least 25 years of combined service in major Minnesota public pension plans, are at least 55 years old, are eligible upon retirement for annuities from a defined benefit plan, and retire between May 16 and August 1, 1993.

The second facet requires the same employers to pay the cost of health benefits up to age 65 for employees who were eligible for employer-paid insurance at the time the new program

took effect, have at least 25 years of combined service in Minnesota public pension plans, have at least as many months of service with their current employers as the number of months younger than age 65 they are at the time of retirement, and are immediately eligible for retirement benefits if they are members of defined benefit plans. In addition, employees of school districts must retire between May 14 and July 21, 1993, and employees of other covered employers must retire between June 30 and October 1, 1993. Districts may impose an additional tax levy to pay for this program.

Incentives

The incentive for state employees and other local government employees is found in Chapter 192, the state departments appropriation bill. A state agency must offer the program if the Commissioners of Finance and Employee Relations certify that layoffs would occur in the agency without the incentive. Local governments may offer the program at their option. To be eligible,

an employee must be at least 55 years old, have at least 25 years of service in Minnesota public pension plans, be immediately eligible for benefits upon retirement, and retire between May 16, 1993, and January 31, 1994.

For most employees, the incentive is a choice of an increased multiplier for as many as 30 years of service or employer-paid health coverage to age 65. The exception is public-safety employees, who need not be offered a choice. With certain limited exceptions, employers may not fill the positions vacated by persons who retire under this program.

Unfunded Liabilities

The 1993 Legislature also took steps, found in Chapter 357, to reduce the unfunded liabilities in the St. Paul and Minneapolis teachers' retirement systems. For the Minneapolis plan, which would be depleted by the year 2011 if no action were taken to correct the contribution deficiency, the legislation increases employer contribu-

tions and permits a tax levy to cover the higher costs. The legislation also directs state aid to match each \$1,000 of additional employer contributions to a maximum of \$2.5 million in FY 1994. Maximum matching grants in subsequent years will increase at the same rate as the increase in the general education formula allowance. In addition, the legislation modifies post-retirement benefit adjustments for Minneapolis retirees.

For the St. Paul plan, the asset projection of which showed a downturn after the year 2008 without corrective action, the legislation also increases employer contributions. It also provides a direct state grant of \$500,000 in FY 1994, increasing in subsequent years to match increases in the general education formula allowance.

The additional state aid to the two systems will end when their accrued liability funding ratios equal that of the statewide Teachers Retirement Association.

Industry Regulation

Gambling

Chapter 146 includes appropriations to the agencies that regulate gambling in Minnesota. In FY 1994, \$2.5 million was appropriated for gambling regulation, and nearly \$2.4 million was appropriated in FY 1995.

The Gambling Control Board will receive about \$1.9 million in FY 1994 and about \$1.9 million in FY 1995. Of this amount, at least 25 percent must be spent for outreach and education activities that are not tied to enforcement actions.

The Racing Commission was appropriated \$366,000 in FY 1994 and \$200,000 in FY 1995.

This reduction is because racing has ceased at Canterbury Downs.

The State Lottery Board was directed to reimburse the General Fund a total of nearly \$1.4 million. This amount will go to finance appropriations to the Departments of Human Services and Public Safety for programs generated by legal gambling.

The Department of Public Safety will get \$300,000 for law enforcement and regulation costs and the Department of Human Services will receive nearly \$1.1 million for compulsive gambling hot line services, outpatient treatment services, felony screening and compulsive gambling youth education.

The Human Services Department appropriation for these purposes was increased by \$475,000 over the last biennial appropriation.

The lottery director will no longer be able to receive a bonus under legislation approved by the 1993 session, and the position salary was raised to be 80 percent of the salary prescribed for the Governor.

In other actions, the Commissioner of Human Services is authorized to enter into an agreement with the governing body of any Indian tribe for the purpose of obtaining funding from the tribe for compulsive gambling programs.

Banks

The Commerce Committee passed Chapter 7, which removed existing barriers to the acquisition and operation of banks or savings and loans for operation as detached facilities. This new measure allows an existing bank to acquire a separate bank or savings association, and to operate that new facility as a detached facility. Previous law allowed these acquisitions only for banks or savings associations in the seven-county metro area.

The Commerce Committee passed Chapter 310, which repealed the current statutes authorizing a life and health guaranty association and replaced them with an entirely new authorizing statute for the Minnesota Life and Health Guaranty Association. The association provides coverage for insured persons in the event that their insurer undergoes financial impairment or bankruptcy. The law also establishes limits for fiscal protection for insured persons, and provides for assessments against insurers to pay for any obligations incurred by the association.

Public Utilities

The 1993 session of the Legislature amended current law for the regulation of long-dis-

tance carriers in an attempt to put all long distance carriers under the same regulative umbrella.

Telecommunications carriers are defined as carriers not authorized to furnish local exchange service. Existing carriers would be unregulated, except for: (1) unreasonably discriminatory rates that are uniform within geographical areas, and (2) restrictions on severing existing long-distance connections to local service carriers.

The 1993 session also amended the so-called TACIP law which provides some devices to individuals and a relay service to communications-impaired individuals. The major change was the doubling of the maximum surcharge to finance this program from 10 cents to 20 cents per month on each telephone access line.

The bill also changed the makeup of the TACIP board and changed some of the definitions. The two programs involve furnishing of communications devices for low- and low-moderate-income families and the relay service to facilitate the ability of non-impaired and communications-impaired persons to communicate through the telecommunications systems.

In other action involving telephone regulation, the Legislature extended the existing incentive regulation plan until August 1, 1995. The old law would have allowed the incentive regulation plan to expire on August 1, 1994. USWest is the only telephone company involved in incentive regulation, under which revenue gains through operating efficiencies are shared between customers and the company.

Public Service Department

The 1993 session in Chapter 369 enacted full funding by authorizing the increase of fees by the Public Service Department's Weights and Measures Division to raise an additional \$182,000.

The same chapter also appropriated \$474,000 in fees to finance the further development of the department's Meteorology Laboratory so that it could provide calibration and consultation services to other meteorology laboratories in the government and private sectors. This is intend-

ed mainly for certification by the European Economic Community. This change has the potential of a money-making service needed by business to improve the potential of world-wide trade.

Public Safety and Judiciary

Crime Bill

The 1993 Omnibus Crime Bill (Chapter 326) funded both new and existing programs by:

- raising motor vehicle registration and petty misdemeanor processing fees,
- repealing the sunset for mandatory minimum drug crime fines, and
- raising the general crime mandatory minimum fines by 10 percent.

Projected General Fund revenues for the biennium are over \$11.7 million.

The Legislature appropriated approximately \$9.3 million of the new revenue to various state agencies for anti-violence and criminal justice programs. The Department of Education received \$3 million for violence prevention grants. The Higher Education Coordinating Board received \$400,000 for anti-violence education programs, including grants for collaboration among human services professionals and the establishment of a higher education center on violence and abuse.

The Legislature appropriated \$380,000 to the DARE Advisory Council to continue drug abuse resistance education programs through the biennium. The Department of Public Safety received \$1.9 million, including \$1.4 million for Community Crime Reduction Grants. Other initiatives included \$400,000 for providing training on and auditing of the Bureau of Criminal

Apprehension's Criminal Justice Information System and Criminal Justice Communications Network and \$100,000 for the cost of implementing an expanded sex offender registration program.

The Department of Human Services received \$200,000 for the continuation of the Asian-American Juvenile Crime Prevention Grant Program. The Legislature appropriated \$3.1 million to the Department of Corrections, including approximately \$2.5 million for a community-based sex offender program evaluation and \$500,000 for the juvenile restitution grant program.

The Supreme Court and the Sentencing Guidelines Commission received \$200,000 and \$100,000 respectively for providing training on and auditing of the BCA's Criminal Justice Information System. Finally, \$65,000 was appropriated to the Department of Health for planning the establishment of an Institute for Child and Adolescent Sexual Health.

Department of Corrections

The Criminal Justice Appropriations Bill (Chapter 146) provided over \$405 million for the Department of Corrections.

Funding for correctional institutions was approximately \$277.2 million. This included \$15.4 million for the continued conversion of the

Moose Lake Regional Treatment Center to a medium security prison during the biennium. This will increase the number of beds operated by the department at Moose Lake from 180 to 440. The Legislature also appropriated \$3.9 million to the department for FY 1994 for the purpose of purchasing local bed space for probation violators who have less than a year of their sentence to serve. An additional \$976,000 was appropriated to purchase local bed space for persons released from prison who violated the conditions of their supervised release. Other initiatives include \$244,000 for biomedical sex offender intervention research and \$347,000 for transitioning sex offenders back into the community.

DEPARTMENT OF CORRECTIONS Biennial Appropriations (000s)	
Division	1993-95
Institutions	\$ 277,166
Community Services	97,027
Management Services	30,955
Total	\$ 405,148

Community Services

Community Services were funded at approximately \$97 million. This included a Community Corrections Act (CCA) subsidy increase of \$6.4 million to maintain and expand existing correctional services at the local level. The Legislature increased Sentencing to Service and Work Release funding by approximately \$2.3 and \$1.7 million respectively. Probation and supervised release funding was increased by \$1.7 million to reduce the caseload of probation officers and increase the level of supervision for offenders on supervised release. The Legislature also appropriated \$467,000 in FY 1995 for base-level funding for Stearns County's entrance into the CCA.

County Aids

In 1992 the Legislature established the County Criminal Justice Aid distribution formula for the purpose of reducing the reliance of county criminal justice and corrections programs on local property taxes. The formula is based on county population and the number of serious crimes committed in each county during the previous year. The 1993 Legislature appropriated \$16.8 million in County Criminal Justice Aid for the biennium.

Other major initiatives include an approximate \$1 million increase in the Juvenile Detention subsidy to assure that juvenile and adult offenders are not commingled in local jails, a \$732,000 increase in the Intensive Supervision Program designed for low-risk offenders and a \$292,000 increase in Community-Based Sex Offender Treatment funding. Finally, the Legislature appropriated \$500,000 to expand the intensive probation program for repeat DWI offenders.

Management Services

Management Services were funded at approximately \$40 million. This included a substantial increase in victim services of over \$5.1 million and an increase of \$500,000 to upgrade the department's information system. The Legislature created two new grant programs, the Female Recidivism Reduction Project and the Juvenile Female Mini-Grant Project. Both were funded at \$244,000. The Legislature also increased funding for Battered Women Shelters by \$400,000.

Sentencing Guidelines

The 1993 Legislature appropriated \$653,000 from the General Fund to the Sentencing Guidelines Commission. This included \$149,000 for staff to update the Commission's felony monitoring system.

Ombudsman for Corrections

The 1993 Legislature appropriated \$918,000 from the General Fund to the Ombudsman for Corrections.

Police Officer Training

The 1993 Legislature appropriated approximately \$8.3 million from the Special Revenue Fund to the Police Officer Standards and Training (POST) Board. The revenues are the result of the three percent surcharge increase on traffic fines levied by the 1992 Legislature. Realized revenue above \$8.3 million is deposited in the General Fund.

Department of Public Safety

The 1993 Legislature appropriated approximately \$208 million to the Department of Public Safety.

Major initiatives in the Bureau of Criminal Apprehension appropriation of \$29.1 million included \$588,000 for state and local investigation of cross-jurisdictional crimes; \$732,000 for laboratory activity; \$327,000 and \$228,000 for staff increases to adequately maintain the BCA's Criminal History Data System and Criminal Justice Data Communications Network respectively; and \$211,000 to implement the Bureau's seven-day fingerprint identification service.

The Drug Policy and Violence Prevention appropriation of approximately \$3 million included \$1.2 million to the Commissioner of Human Services to be spent on a variety of chemical dependency programs; \$348,000 to the Commissioner of Health to research and combat fetal alcohol syndrome; and \$132,000 to support the work of the Chemical Abuse Prevention Resource Council.

DEPARTMENT OF PUBLIC SAFETY Biennial Appropriations (000s)

Division	1993-95
Administration	\$ 9,113
State Patrol	85,995
Driver and Vehicle Services	59,738
Traffic Safety	446
Pipeline Safety	1,472
Emergency Management	3,946
Bureau of Criminal Apprehension	29,108
Fire Marshal	4,976
Capitol Security	2,840
Liquor Control	1,272
Gambling Enforcement	2,264
Drug Policy and Violence Prevention	2,988
Crime Victim Services	3,670
Crime Victims Ombudsman	146
Total	\$ 207,974

An effort to dismantle the Department of Public Safety, transfer most of its responsibilities to other agencies and create a free-standing Bureau of Criminal Apprehension passed the Senate, but was defeated in the Crime Bill conference committee.

Courts and Board of Public Defense

A biennial appropriation of \$36.3 million was made to the Supreme Court. The Court of Appeals received a biennial appropriation of \$11.4 million; the District Courts received \$120.8 million for the biennium; the Board of Judicial Standards received \$354,000 for the biennium; and the Tax Court of Appeals received approximately \$1 million for the biennium.

The Legislature appropriated approximately \$51.8 million to the Board of Public Defense, \$1.2 million of which is for the provision of group insurance coverage to part-time district public defenders. Also included in the appropriation is \$1.8 million for grants to existing public defense corporations and \$50,000 to establish Indian Child Welfare Defense Corporations.

Veto

The Governor vetoed a number of bills passed during the 1993 regular legislative session and also exercised his line-item veto on bills passed during the special session. Several vetoed bills were subsequently re-passed and signed based on negotiated agreements with the Governor.

The appropriation vetoes totaled about \$3.8 million and included:

- A \$2 million appropriation to the Housing Finance Agency for community rehabilitation grants for FY 1995 (Chapter 369).
- A \$610,000 appropriation to the Department of Public Service to rehire laid-off alternative energy staff (Chapter 369).
- A \$100,000 appropriation for lead abatement training of weatherization personnel (Chapter 369).
- A \$500,000 appropriation to the Department of Natural Resources for the Great Lakes Protection Fund (Chapter 172).
- A \$180,000 appropriation to the Metropolitan Council to develop a groundwater model (Chapter 172).
- A \$228,000 appropriation for a state forest improvement program (Chapter 172).
- A \$72,000 appropriation for the Citizen's Council on Voyageurs National Park (Chapter 172).
- An appropriation for a \$75,000 strep throat study (Chapter 1, Special Session).

Among other bills vetoed by the Governor were:

- A bill putting a \$1 fee on every issuance or renewal of an automobile insurance policy and using it for automobile theft prevention programs as determined by a newly created Automobile Theft Prevention Board. The fee was expected to yield \$4 million for the biennium.
- A bill providing for gender balance for appointments to state boards and commissions.
- A bill that imposes limits on the issuance of professional and technical service contracts entered into by the state.
- A bill giving labor unions equal time access to employees at the place of work to answer statements critical of the labor organization.
- A bill providing for binding arbitration if an initial labor union - management contract settlement is not reached within six months of election of an exclusive bargaining representative.
- A bill granting the Wheat and Barley Promotion Councils to levy assessments on wheat and barley grown outside Minnesota, but sold within the state.

Governance

Campaign Finance Reform

The 1993 Legislature enacted a significant campaign finance reform bill that substantially

reduces the amount that individuals, PACs and lobbyists may contribute to a candidate's campaign. Alternatively, an additional \$1.5 million was appropriated to fund public subsidies to

state-level candidates. The amount that political parties may contribute relative to other contributors was also increased by raising their limit from five times to ten times the contribution limit for individuals, lobbyists and PACs.

The table below compares the old contribution limits for individuals, lobbyists and PACs to those under the new law for an election cycle. An election cycle for a particular office is defined as the period of time from January 1 following the election to December 31 following the next election for that office.

CAMPAIGN CONTRIBUTION LIMITS		
	Old Limit	New Limit
Governor	\$ 29,000	\$ 3,500
Attorney General	16,000	1,600
Sec. of State, Auditor, Treasurer	8,000	800
Senator	3,000	800
Representative	1,500	600

Other reforms included in the bill eliminate "friends of" committees, prohibit transfers of campaign funds between candidates and prohibit earmarking and bundling of contributions.

Payment of the public subsidy to unopposed candidates was also eliminated.

Several adjustments were made to the campaign expenditure limitations, including a ten percent increase in the expenditure limit of first-time candidates and an increase for candidates whose opponent is the beneficiary of independent expenditures equal to the amount of the independent expenditures.

A new publicly financed matching grant program passed by the Legislature was vetoed by the Governor. Under this matching program, the state matched the first \$50 in contributions received from eligible voters up to a total of 35 percent of the expenditure limit for legislators or 25 percent of the expenditure limit for constitutional officers. As a replacement for this program, the Legislature appropriated \$1.5 million to be distributed equally among eligible candidates through the general account of the state elections campaign fund. This appropriation is in addition to the estimated \$3.8 million available through the campaign finance income tax form checkoff and \$5.2 million in political contribution refunds.

State Debt and Capital Expenditures

Capital Expenditures

The 1993 Legislature adopted a bonding and capital improvements budget totaling \$64.4 million. Appropriations are from one of the following funds: bond proceeds, transportation, maximum effort school loan, and trunk highway. The following table delineates the project/amounts.

CAPITAL EXPENDITURES AUTHORIZED BY THE 1993 LEGISLATURE

Item	Project	Total
BONDS		
Technical College System		\$ 667,000
Capital Asset Preservation and Repair	\$ 413,000	
Thief River Falls	254,000	
		1,367,000
Community College System		
Capital Asset Preservation and Repair	667,000	
Rochester	700,000	
		1,161,000
State University System		
Capital Asset Preservation and Repair - St. Cloud St. Univ.	466,000	
New Boiler - St. Cloud State University	200,000	
Land Acquisition - Metropolitan State University, St. Cloud State University, and Moorhead State University	495,000	
		2,000,000
University of Minnesota		
Capital Asset Preservation and Repair	2,000,000	
		7,000,000
Elementary and Secondary Education		
School District Construction Grant - Grant County	6,000,000	
Architectural Barriers Grant	1,000,000	
		8,765,000
Human Services		
St. Peter Regional Treatment Center	515,000	
Moose Lake Regional Treatment Center	7,250,000	
Brainerd Regional Human Services Center	700,000	
Cambridge Regional Human Services Center	300,000	
		9,812,000
Corrections		
Minnesota Correctional Facility - Willow River/Moose Lake	9,600,000	
Minnesota Correctional Facility - Red Wing	212,000	

Item	Project	Total
Administration		\$ 8,255,000
Sewer Separation	\$ 1,300,000	
Arden Hills State Facilities	285,000	
Judicial Center-Phase IIb	6,670,000	
Public Facilities Authority		4,000,000
Pollution Control Agency		11,000,000
Historical Society		150,000
Veterans Homes Board		400,000
Bond Sale Expenses		<u>63,000</u>
TOTAL BONDING		\$54,640,000
APPROPRIATIONS		
Elementary and Secondary Education		\$ 5,000,000
Maximum Effort School Loans	\$ 5,000,000	
Administration		3,000,000
Transportation Building	3,000,000	
Transportation		9,900,000
Bloomington Ferry Bridge	6,900,000	
Local Bridge Replacement and Rehabilitation	3,000,000	
CANCELLATIONS		<u>(8,115,000)</u>
TOTAL APPROPRIATIONS		\$ 9,785,000
TOTAL BONDING AND APPROPRIATIONS		\$ 64,425,000

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1993 State Appropriations by Functional Area for the 1993 Biennium

Total Appropriation \$19,050,334,000

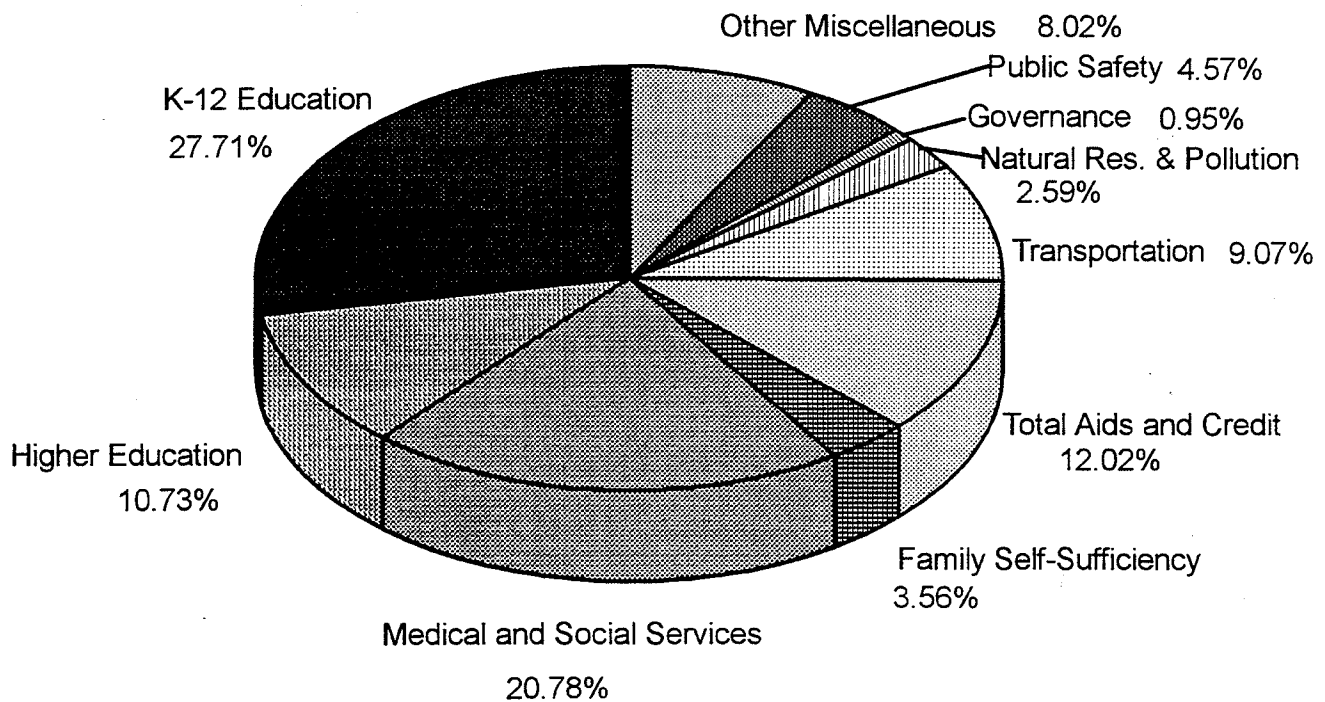


Table A

**Summary of Biennial Appropriations by Fund
1991-93 and 1993-95 Bienniums**

Fund	1991-93	1993-95	Difference
County-State Aid Highway	\$ 482,000,000	\$ 494,780,000	\$ 12,780,000
Environmental	42,301,000	63,558,500	21,257,500
Environmental Trust Fund	14,960,000	24,600,000	9,640,000
Game and Fish	100,436,000	105,591,000	5,155,000
General	12,648,207,729	14,622,386,000	1,974,178,271
General Dedicated (1)	1,247,063,000	83,845,000	(1,163,218,000)
Health Care Access	26,690,000	208,655,000	181,965,000
Highway User Tax Distribution	27,450,000	28,347,000	897,000
Local Government Trust Fund	1,480,500,000	1,819,098,000	338,598,000
Metro Landfill Contingency	4,188,000	2,989,000	(1,199,000)
Minnesota Resources	17,294,000	14,662,000	(2,632,000)
Mortgage Registry	109,084,000		(109,084,000)
Municipal-State Aid Street	133,000,000	143,980,000	10,980,000
Natural Resources	36,752,000	36,678,000	(74,000)
Permanent School	61,700,000	64,478,000	2,778,000
Special Revenue	50,215,000	122,689,000	72,474,000
State Airports	33,897,000	33,645,000	(252,000)
State Lottery Fund (2)	84,352,000	85,909,000	1,557,000
Transportation Services	200,000		(200,000)
Trunk Highway	1,201,153,000	1,107,752,000	(93,401,000)
Workers' Compensation	37,683,000	48,016,000	10,333,000
Total State Appropriations (3)	\$ 17,839,125,729	\$ 19,111,658,500	\$ 1,272,532,771
Federal Funds Appropriations	5,129,537,000	5,878,436,000	748,899,000
Total Appropriations	\$ 22,968,662,729	\$ 24,990,094,500	\$ 2,021,431,771

NOTES:

- (1) The large decline in dedicated revenues shown here is the result of an accounting change, and does not represent a real change in appropriation levels. Similarly, Mortgage Registry tax appropriations are now made from the general fund account.
- (2) This item represents the statutory maximum of 14.5 percent of lottery gross revenues that may be annually credited to the lottery operations account.
- (3) The total state appropriations figure for the 1993-95 Biennium does not include cancellations.

Table B

General Fund and Local Government Trust Fund
Resources and Appropriations
1993-1995 Biennium
(dollars)

	1993-95
I. RESOURCES	
A. Balance Forward	\$ 656,710,000
B. Taxes and Receipts (before 1993 law changes)	
Individual Income Taxes	7,990,000,000
Corporate Franchise Tax	1,296,900,000
Sales Tax	5,323,200,000
Motor Vehicle Tax	639,100,000
Estate Tax	36,060,000
Liquor, Wine, Beer	104,982,000
Cigarette and Tobacco Products Tax	327,400,000
Iron Ore Occupation	10,000
Taconite Occupation	6,000,000
Taconite Production	110,000
Deed and Mortgage Tax	108,600,000
Insurance Gross Premiums	284,000,000
Telephone, Telegraph, and Other Gross Earnings	1,120,000
Lawful Gambling Tax	105,456,000
Health Care Provider Tax	155,628,000
Controlled Substance	500,000
Departmental Earnings	230,000,000
Investment Income	30,200,000
Income Tax Reciprocity	47,316,000
Rental Car Contract Tax	11,947,000
Lottery Proceeds	61,782,000
Other Non-dedicated Receipts	164,000,000
Total Taxes and Receipts	\$ 16,924,311,000
(before 1993 law changes)	
C. Revenue Refunds	
Individual Income Tax	(963,900,000)
Corporate Franchise Tax	(192,600,000)
Sales Tax	(83,065,000)
Other Agencies' Refunds	(17,300,000)
Other Refunds	(39,329,000)
Total Refunds	\$ (1,296,194,000)
D. Transfers from Other Funds	
Other Special Revenue Funds	9,658,000
All Other Transfers	24,772,000
New Legislation Transfers	39,544,000
Total Transfers	\$ 73,974,000
E. Total Dedicated Revenues/Appropriations (Self-Cancelling)	\$ 83,845,000

	1993-95
F. Taxes and Receipts -- 1993 Law Changes	
Individual Income Taxes	(13,800,000)
Corporate Franchise Tax	3,000,000
Sales Tax	(2,800,000)
Cigarette, Tobacco, Liquor Excise Tax	2,800,000
Health Care Provider Tax	79,251,000
Departmental Earnings	(26,099,000)
Miscellaneous Non-dedicated Revenues	53,312,000
Other Income	29,135,000
Total Taxes and Receipts -- Law Changes	\$ 124,799,000
G. Prior Year Adjustments	\$ 40,900,000
TOTAL REVENUES AND RECEIPTS	\$ 16,524,500,000
II. APPROPRIATIONS	
A. Major Spending Categories	
Elementary and Secondary Education	5,186,166,000
Higher Education	2,043,400,000
Human Services, Health, Corrections	4,801,261,000
Hospital Appropriations for which Medical Assistance and General Assistance Medical Care Reimbursements were Received (1)	(287,297,000)
Transportation and Semi-States	143,333,000
State Departments	616,364,000
Environment and Natural Resources	336,553,000
Community Development	348,822,000
Total Major Spending Categories	\$ 13,188,602,000
B. Open and Standing Appropriations	
Aids and Credits	2,377,663,000
Debt Service	463,193,000
Retirements	138,767,000
Total Open and Standing Appropriations	\$ 2,979,623,000
TOTAL APPROPRIATIONS	\$ 16,168,225,000
TOTAL REVENUES AND RECEIPTS	\$ 16,524,500,000
TOTAL APPROPRIATIONS -- GROSS	\$ 16,168,225,000
Less Cancellations	(20,000,000)
TOTAL APPROPRIATIONS -- NET	\$ 16,148,225,000
Budget and Cash Flow Reserve	\$ 360,000,000
UNRESTRICTED BUDGETARY BALANCE	\$ 16,275,000

NOTES:

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

Table C

**Detailed Appropriations by Function - All Funds
1991-1993 Biennium Compared to 1993-1995 Biennium**

	1991-1993 Biennium (1)	1993-1995 Biennium	Increase (Decrease)	Percent Change
Aids and Credits				
Homestead and Agricultural Credit				
Aid (HACA)				
School Districts	\$ 320,662,000	\$ 340,295,000	\$ 19,633,000	
Cities, Towns, Counties	716,162,000	874,175,000	158,013,000	
Tax Incremental Financing		48,000	48,000	
Subtotal HACA	1,036,824,000	1,214,518,000	177,646,000	17.13%
Property Tax Refund				
Renters	164,025,000	177,300,000	13,275,000	
Homeowners	97,201,000	104,700,000	7,499,000	
Targeting	29,655,000	21,500,000	(8,155,000)	
Political Contribution Refunds	5,600,000	5,200,000	(400,000)	
Supplemental Homestead Property				
Tax Relief	1,887,000	1,736,000	(151,000)	
Red Lake Watershed HACA Payment	186,000		(186,000)	
Buffalo Red River Watershed HACA Payment	154,000		(154,000)	
Transition Credit	160,000	49,000	(111,000)	
Aid to Local Governments	567,038,000	624,535,000	57,497,000	
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	9,252,000	9,580,000	328,000	
Enterprise Zone Credit				
School Districts	308,000	18,000	(290,000)	
Cities, Towns, Counties	754,000	40,000	(714,000)	
Regional Transit Board Levy Reduction	4,899,000	6,435,000	1,536,000	
Region 3 Occupation Tax Distribution	802,000	747,000	(55,000)	
Equalization Aid	38,905,000	20,011,000	(18,894,000)	
Border City Enterprise Zone		1,400,000	1,400,000	
Disparity Aid				
School Districts	25,594,000	25,297,000	(297,000)	
Cities, Towns, Counties	59,785,000	45,315,000	(14,470,000)	
Border City Disparity Credit				
School Districts	2,032,000	2,465,000	433,000	
Cities, Towns, Counties	3,239,000	5,385,000	2,146,000	
Corrections Aid		16,800,000	16,800,000	
Presidential Primary Reimbursement	2,483,375		(2,483,375)	
Total Aids and Credits Category	\$ 2,057,219,375	\$ 2,289,467,000	\$ 232,247,625	11.29%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Elementary and Secondary Education				
Department of Education	\$ 45,054,000	\$ 44,988,000	\$ (66,000)	
Minnesota Center for Arts Education	10,121,000	9,706,000	(415,000)	
General Education Aid	3,183,849,000	3,836,056,000	652,207,000	
Endowment Fund	60,500,000	64,000,000	3,500,000	
Short-Term Borrowing Reimbursement Aid	300,000		(300,000)	
Transportation Aid	237,745,700	269,547,000	31,801,300	
Transportation Aid for				
Post-Secondary Enrollment Options	90,000	110,000	20,000	
Transportation Aid for Enrollment Options	30,000	34,000	4,000	
Early Childhood Programs				
Early Childhood Family Education Aid	25,480,000	27,340,000	1,860,000	
Way to Grow	950,000	950,000		
Learning Readiness	8,000,000	19,000,000	11,000,000	
Early Childhood Screening	3,096,000	3,108,000	12,000	
Early Childhd. Family Education Home Visits		450,000	450,000	
Head Start	17,112,000	23,012,000	5,900,000	
Special Programs				
Special Education Aid	349,887,900	381,017,000	31,129,100	
Special Programs Equalization Aid	8,215,000	31,077,000	22,862,000	
Limited English Proficiency Pupils				
Program Aid	7,847,000	11,757,000	3,910,000	
Indian Education Programs	8,231,000	7,793,000	(438,000)	
Secondary Vocational Handicapped	9,343,000	7,948,000	(1,395,000)	
Assurance of Mastery	25,180,700	26,112,000	931,300	
Individualized Learning and Development Aid	26,745,000	2,485,000	(24,260,000)	
Secondary Vocational Education Aid	23,429,000	25,323,000	1,894,000	
American Sign Language Education		49,000	49,000	
Special Education Rule Review Task Force		15,000	15,000	
Alternative Delivery Advisory Committee		15,000	15,000	
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	6,501,000	(599,000)	
Adult Education Programs	14,921,000	18,195,000	3,274,000	
Adult Handicapped Program Aid	1,480,000	1,480,000		
Capital Expenditures				
Facilities and Equipment	216,978,100	222,709,000	5,730,900	
Health and Safety	21,561,000	30,184,000	8,623,000	
Maximum Effort Loan Fund	9,413,000		(9,413,000)	
Debt Service Equalization Aid	3,000,000	43,018,000	40,018,000	
District Organization				
Education District Aid	3,193,000		(3,193,000)	
Cooperation and Combination Aid	6,475,000	7,495,000	1,020,000	
Secondary Vocational Cooperative Aid	198,300	166,000	(32,300)	
District Cooperation Revenue	100,000	7,960,000	7,860,000	
Educational Improvement				
Educational Effectiveness Programs	1,770,000	1,740,000	(30,000)	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Local Collaboratives	\$	\$ 5,000,000	\$ 5,000,000	
State Planning, Evaluation, and Reporting Assistance	1,178,000		(1,178,000)	
Miscellaneous Educational Improvement	1,714,000	2,158,000	444,000	
Minority Teacher Incentives	1,000,000	600,000	(400,000)	
Area Learning Centers	300,000	300,000		
Restructuring and Outcome Based Education	1,350,000		(1,350,000)	
Graduation Rule Acceleration		10,376,000	10,376,000	
Board of Teaching/Grants and Fellowships/Alternate Licensure	100,000	200,000	100,000	
Interactive Television Levy Aid		2,681,000	2,681,000	
Staff Development Incentive Aid		100,000	100,000	
Teaching Residency		600,000	600,000	
Career Teacher's Aid		250,000	250,000	
Teachers of Color		600,000	600,000	
Other Education Aids				
Educational Cooperative Service Units	1,481,000	843,000	(638,000)	
Management Information Centers	6,686,000	3,275,000	(3,411,000)	
Abatement Aid	12,036,000	14,901,000	2,865,000	
School Lunch and Milk Aid	11,850,000	13,050,000	1,200,000	
Integration Grants	31,688,000	37,688,000	6,000,000	
Interdistrict Desegregation Grants	600,000		(600,000)	
Library Grants	14,694,000	16,722,000	2,028,000	
Nonpublic Pupil Aid	17,611,700	19,319,000	1,707,300	
Minnesota Institute of Advanced Teaching		650,000	650,000	
School Restructuring Grants		500,000	500,000	
School Improvement Incentives		250,000	250,000	
Educational Delivery Service Plan		15,000	15,000	
Alcohol-Impaired Driver Education and Chemical Abuse Prevention Grants	1,390,000	1,028,000	(362,000)	
Telecommunications Grant Carried Forward	160,000		(160,000)	
Tobacco Use Prevention	100,000		(100,000)	
Grants for Science and Math	150,000		(150,000)	
National Science Foundation Science & Math		3,000,000	3,000,000	
Violence Prevention Education and Grants		4,000,000	4,000,000	
Violence Prevention Councils		400,000	400,000	
Student Survey		150,000	150,000	
Ombudspersons		4,770,000	4,770,000	
Grants to School Districts		550,000	550,000	
Extended Day Aid		340,000	340,000	
Library Demo Grant		30,000	30,000	
Advanced Placement and International Baccalaureate Programs	300,000	600,000	300,000	
Crime Bill	2,250,000		(2,250,000)	
Internet		400,000	400,000	
Environmental Education		60,000	60,000	
Exchange/Temporary Assignment		75,000	75,000	
Arts Education		808,000	808,000	
School Breakfast Aid		400,000	400,000	
Cross-Cultural Initiatives		135,000	135,000	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Summer Food Service	\$	\$ 30,000	\$ 30,000	
Agriculture Education Specialist		70,000	70,000	
Education in Agricultural Leadership Council		50,000	50,000	
State Appropriations	\$ 4,444,559,400	\$ 5,278,314,000	\$ 833,754,600	18.76%
Federal Appropriations	466,885,000	538,977,000	72,092,000	15.44%
Total Elementary and Secondary Education Category	\$ 4,911,444,400	\$ 5,817,291,000	\$ 905,846,600	18.44%

Higher Education

Higher Education Coordinating Board

Agency Administration	\$ 6,641,000	\$ 6,382,000	\$ (259,000)	
State Scholarships and Grants	158,693,000	199,900,000	41,207,000	
Interstate Tuition	11,675,000	10,100,000	(1,575,000)	
State Work Study	11,738,000	16,438,000	4,700,000	
Minitex Library Program	2,416,000	4,126,000	1,710,000	
Telecommunications		4,800,000	4,800,000	
Post High School Planning Program Cancellation	(70,000)		70,000	
Youthworks Program		230,000	230,000	
Crime Bill	150,000	400,000	250,000	
Subtotal Higher Education Coordinating Board	191,243,000	242,376,000	51,133,000	26.74%
Higher Education Board		1,800,000	1,800,000	
Technical Colleges	328,578,000	335,634,000	7,056,000	
Task Force on Education and Employment	40,000		(40,000)	
Northwest Minnesota Interactive Television	300,000		(300,000)	
Subtotal Technical Colleges	328,918,000	335,634,000	6,716,000	2.04%
Community Colleges	205,836,000	199,999,000	(5,837,000)	-2.84%
State Universities	372,359,000	355,020,000	(17,339,000)	-4.66%
University of Minnesota				
Operations and Maintenance	736,042,000	738,099,000	2,057,000	
Health Sciences	34,784,000	34,216,000	(568,000)	
Institute of Technology	7,210,000	5,932,000	(1,278,000)	
System Specials	39,204,000	38,662,000	(542,000)	
Agriculture and Extension Service	89,186,000	90,244,000	1,058,000	
Farmer-Lender Mediation Program	200,000		(200,000)	
Red River Trade Corridor	50,000		(50,000)	
Net Appropriations Carried Forward	75,000		(75,000)	
Base Reduction	(24,303,000)		24,303,000	
Subtotal University of Minnesota	882,448,000	907,153,000	24,705,000	2.80%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Mayo Medical Foundation	\$ 1,941,000	\$ 1,648,000	\$ (293,000)	-15.10%
State Appropriations	\$ 1,982,745,000	\$ 2,043,630,000	\$ 60,885,000	3.07%
Federal Appropriations	63,700,000	69,718,000	6,018,000	9.45%
Total Higher Education Category (2)	\$ 2,046,445,000	\$ 2,113,348,000	\$ 66,903,000	3.27%

Human Services

Department of Human Services

Financial and Management Administration	\$ 26,281,000	\$ 42,686,000	\$ 16,405,000	
Social Services	117,595,000	138,668,000	21,073,000	
Community Social Services Aid	103,169,000	100,261,000	(2,908,000)	
Family Self-Sufficiency Programs & Administration				
AFDC Grants	371,721,000	303,407,000	(68,314,000)	
General Assistance Grants	83,897,000	98,245,000	14,348,000	
Work Readiness Grants	50,698,000	34,307,000	(16,391,000)	
Minnesota Supplemental Aid	86,812,000	75,317,000	(11,495,000)	
Child Care Fund	41,686,000	47,825,000	6,139,000	
Administration	78,198,000	118,871,000	40,673,000	

Health Care Programs

MA Grants	1,553,437,000	2,318,158,000	764,721,000	
GAMC Grants	313,620,000	395,674,000	82,054,000	
Preadmission Screening and Alternative Care	48,804,000	65,037,000	16,233,000	
Children's Health Plan	22,803,000		(22,803,000)	
Health Care Administration	61,082,000	106,446,000	45,364,000	
Mental Health	56,128,000	76,129,000	20,001,000	
Children's Mental Health	5,100,000	870,000	(4,230,000)	

State Residential Facilities

Regional Treatment Centers/ Nursing Homes/SOCS	461,250,000	436,683,000	(24,567,000)	
Administration	3,600,000	6,403,000	2,803,000	
SOCS Transition Unit	861,000		(861,000)	
Federal Reimbursement	(54,362,000)	(60,006,000)	(5,644,000)	
Compulsive Gambling Treatment Programs	1,200,000	475,000	(725,000)	
TAP Special Revenue Appropriation	134,000		(134,000)	
Crime Bill	1,500,000	200,000	(1,300,000)	
Subtotal Non-Dedicated Appropriations	3,435,214,000	4,305,656,000	870,442,000	25.34%

Dedicated Appropriations (3)

County Share of Medical Payments	164,272,000		(164,272,000)	
Hospital Revolving Account	300,075,000		(300,075,000)	
Miscellaneous	10,345,000		(10,345,000)	
Subtotal Dedicated Appropriations	474,692,000		(474,692,000)	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Subtotal Department of Human Services	\$ 3,909,906,000	\$ 4,305,656,000	\$ 395,750,000	10.12%
Ombudsman for Mental Health and Retardation	2,014,000	1,761,000	(253,000)	-12.56%
Indian Adoption Welfare Act		135,000	135,000	
Minnesota Care				
Department of Commerce	809,000	512,000	(297,000)	
Department of Health	3,005,000	11,099,000	8,094,000	
Department of Human Services	13,371,000	150,138,000	136,767,000	
Department of Employee Relations	1,679,000	10,679,000	9,000,000	
Department of Revenue	917,000	2,404,000	1,487,000	
Department of Administration	27,000		(27,000)	
Higher Education Coordinating Board	189,000	1,285,000	1,096,000	
University of Minnesota	2,200,000	4,634,000	2,434,000	
Legislative Coordinating Commission	125,000	350,000	225,000	
Transfers from Health Care Access Fund (4)		27,554,000	27,554,000	
Subtotal Minnesota Care	22,322,000	208,655,000	186,333,000	834.75%
State Appropriations	\$ 3,934,242,000	\$ 4,516,207,000	\$ 581,965,000	14.79%
Federal Appropriations	3,170,342,000	3,866,750,000	696,408,000	21.97%
Total Human Services Category	\$ 7,104,584,000	\$ 8,382,957,000	\$ 1,278,373,000	17.99%
Health				
Department of Health				
Preventive and Protective Health Services	\$ 33,958,000	\$ 32,491,000	\$ (1,467,000)	
Health Delivery Systems	57,216,000	66,821,000	9,605,000	
Health Support Services	8,205,000	8,244,000	39,000	
Crime Bill	315,000	65,000	(250,000)	
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	1,089,000		(1,089,000)	
Subtotal Department of Health	100,943,000	107,621,000	6,678,000	6.62%
Hearing Instrument Regulation		94,000	94,000	
Asbestos Abatement Activities		264,000	264,000	
Athletic Trainer Licensing		40,000	40,000	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Regional Emergency Medical Services	\$ 1,800,000	\$	(1,800,000)	
Health-Related Boards	12,235,000	12,805,000	570,000	
Deficiencies	46,000		(46,000)	
Subtotal Health-Related Boards	12,281,000	12,805,000	524,000	4.27%
State Appropriations	\$ 115,024,000	\$ 120,824,000	\$ 5,800,000	5.04%
Federal Appropriations	119,456,000	174,060,000	54,604,000	45.71%
Total Health Category	\$ 234,480,000	\$ 294,884,000	\$ 60,404,000	25.76%
Veterans				
Veterans Affairs	\$ 5,935,000	\$ 6,222,000	\$ 287,000	
Veterans Claims		19,000	19,000	
Veterans Nursing Homes	49,740,000	58,237,000	8,497,000	
Veterans Nursing Homes Board	572,000	1,052,000	480,000	
Total Veterans Category	\$ 56,247,000	\$ 65,530,000	\$ 9,283,000	25.76%
Transportation				
Highway Development				
State Road Construction	\$ 374,304,000	\$ 306,158,000	\$ (68,146,000)	
Highway Debt Service	30,958,000	31,566,000	608,000	
Highway Operations				
Maintenance	290,977,000	320,375,000	29,398,000	
Construction Engineering	140,738,000	129,460,000	(11,278,000)	
Trunk Highway Facility Projects	9,349,000		(9,349,000)	
Subtotal Highway Development and Operations	846,326,000	787,559,000	(58,767,000)	-6.94%
Transportation Aids to Local Governments				
County State Aids	482,000,000	494,780,000	12,780,000	
Municipal State Aids	133,000,000	143,980,000	10,980,000	
Subtotal Transportation Aids to Local Governments	615,000,000	638,760,000	23,760,000	3.86%
Engineering	116,349,000		(116,349,000)	
Design Engineering		101,031,000	101,031,000	
Traffic Engineering		12,442,000	12,442,000	
Technical Assistance and Communications				
State Aid Technical Assistance	2,215,000	2,140,000	(75,000)	
Electronic Communications	6,505,000	6,713,000	208,000	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Subtotal Engineering, Technical Assistance, and Communications	\$ 125,069,000	\$ 122,326,000	\$ (2,743,000)	-2.19%
Public Transit Assistance				
Greater Minnesota Transit Assistance	16,348,000	20,426,000	4,078,000	
Light Rail Transit		200,000	200,000	
Regional Transit Board (5)	57,069,000		3,614,000	
Regular Route		27,799,000		
Metro Mobility	26,836,000	26,774,000		
Community-Based and Agency Costs		6,110,000		
Subtotal Public Transit Assistance	73,417,000	81,309,000	7,892,000	10.75%
Program Management				
Highway Program Administration	4,291,000	4,084,000	(207,000)	
Motor Carrier Administration	3,606,000	4,354,000	748,000	
Railroads and Waterways	2,375,000	2,268,000	(107,000)	
Transportation Data Analysis	6,801,000	6,558,000	(243,000)	
Research and Strategic Initiatives		5,930,000	5,930,000	
Personal Transportation Services	24,000		(24,000)	
Subtotal Program Management	17,097,000	23,194,000	6,097,000	10.75%
General Support Services				
General Management	28,680,000	30,126,000	1,446,000	
General Services	13,059,000	17,308,000	4,249,000	
Equipment	34,395,000	30,986,000	(3,409,000)	
Legal Services	2,232,000	3,132,000	900,000	
Subtotal General Support Services	78,366,000	81,552,000	3,186,000	4.07%
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	10,203,000	2,494,000	
Airport Development and Assistance	23,547,000	21,846,000	(1,701,000)	
Air Transportation Services	114,000	118,000	4,000	
Civil Air Patrol	130,000	130,000		
St. Paul Airport Hangar	2,000,000		(2,000,000)	
Subtotal Aeronautics	33,500,000	32,297,000	(1,203,000)	-3.59%
State Airplane Replacement		2,700,000	2,700,000	
Transportation Regulation Board	1,512,000	1,412,000	(100,000)	-6.61%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Federal Funds included in Highway Operations, Technical Services and Program Management	\$ (60,000,000)	\$ (42,800,000)	\$ 17,200,000	
State Appropriations	\$ 1,730,602,000	\$ 1,728,309,000	\$ (2,293,000)	-0.13%
Federal Appropriations	776,761,000	592,936,000	(183,825,000)	-23.67%
Total Transportation Category	\$ 2,507,363,000	\$ 2,278,445,000	\$ (228,918,000)	-9.13%

Agriculture

Department of Agriculture				
Protection Service	\$ 10,236,000	\$ 31,453,000	\$ 21,217,000	
Promotion and Marketing	1,412,000	3,284,000	1,872,000	
Family Farm Security	2,379,000		(2,379,000)	
Administrative Support and Grants	12,074,000	11,610,000	(464,000)	
Appropriations Carried Forward	180,000		(180,000)	
Subtotal Department of Agriculture (6)	26,281,000	46,347,000	20,066,000	76.35%
Agricultural Utilization Research Institute	8,000,000	7,888,000	(112,000)	-1.40%
Board of Water and Soil Resources	15,196,000	24,000,000	8,804,000	
Appropriations Carried Forward	124,000		(124,000)	
Subtotal Board of Water and Soil Resources	15,320,000	24,000,000	8,680,000	56.66%
Board of Animal Health	4,175,000	4,142,000	(33,000)	-0.79%
Ethanol Producer Payments	8,550,000	15,800,000	7,250,000	76.35%
State Appropriations	\$ 62,326,000	\$ 98,177,000	\$ 35,851,000	57.52%
Federal Appropriations	2,733,000	4,516,000	1,783,000	65.24%
Total Agriculture Category	\$ 65,059,000	\$ 102,693,000	\$ 37,634,000	57.85%

Economic Development

Department of Trade and Economic Development				
Business Development and Analysis	\$ 10,106,000	\$ 10,234,000	\$ 128,000	
Tourism	16,396,000	14,014,000	(2,382,000)	
Administration	4,143,000	3,535,000	(608,000)	
Community Development	19,510,000	33,116,000	13,606,000	
Minnesota Trade Office	4,047,000	4,066,000	19,000	
Regional Parks Grants	2,356,000		(2,356,000)	
Appropriations Carried Forward	1,084,000		(1,084,000)	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Base Cut	\$ (1,541,000)	\$	1,541,000	
Transfers from State Planning Agency	6,984,000		(6,984,000)	
World Trade Center Corporation	580,000	200,000	(380,000)	
World Trade Center Base Reduction	(50,000)		50,000	
Regional International Trade Service Center	50,000		(50,000)	
Minnesota Technology Incorporated	8,149,000	15,746,000	7,597,000	
Contamination Clean-up Grants		1,200,000	1,200,000	
Amateur Sports Commission	893,000	902,000	9,000	
State Appropriations	\$ 72,707,000	\$ 83,013,000	\$ 10,306,000	14.17%
Federal Appropriations	38,880,000	52,082,000	13,202,000	33.96%
Total Economic Development Category	\$ 111,587,000	\$ 135,095,000	\$ 23,508,000	21.07%
Housing				
Housing Finance Agency	\$ 28,568,000	\$ 36,814,000	\$ 8,246,000	28.86%
Total Housing Category	\$ 28,568,000	\$ 36,814,000	\$ 8,246,000	28.86%
Natural Resources				
Department of Natural Resources				
Operations Support	\$	\$ 49,965,000	\$ 49,965,000	
Administrative Management Services	13,341,000		(13,341,000)	
Regional Operations Support	9,946,000		40,019,000	
Field Operations Support	22,408,000		(22,408,000)	
Water Resources Management	15,846,000	15,552,000	(294,000)	
Mineral Resources Management	10,026,000	9,465,000	(561,000)	
Forest Management	46,255,000	53,777,000	7,522,000	
Fish and Wildlife Management	71,911,000	74,150,000	2,239,000	
Parks and Recreation Management	39,437,000	45,213,000	5,776,000	
Enforcement	28,965,000	32,051,000	3,086,000	
Trails and Waterways	22,076,000	21,765,000	(311,000)	
Special Services and Programs	11,354,000		(11,354,000)	
Leech Lake and White Earth Reservation	2,749,000	2,892,000	143,000	
1854 Indian Treaty Settlement	5,458,000	6,057,000	599,000	
Firefighting	6,300,000	8,000,000	1,700,000	
Field Citation Pilot Project	200,000		(200,000)	
Nongame Checkoff	2,250,000	2,050,000	(200,000)	
Base Reduction	(1,020,000)		1,020,000	
Subtotal Department of Natural Resources	307,502,000	320,937,000	13,435,000	4.37%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Nuisance Exotic Aquatic Species	\$ 219,000	\$ 795,000	\$ 576,000	263.01%
Off-Highway Motorcycle Program		381,000	381,000	
Off-Road Vehicle Program		274,000	274,000	
Zoological Board	14,595,000	10,099,000	(4,496,000)	-30.81%
Minnesota-Wisconsin Boundary Area Commission	254,000	259,000	5,000	1.97%
Voyageurs National Park Citizens Committee	142,000	72,000	(70,000)	-49.30%
Wetlands Conservation				
Board of Water and Soil Conservation	2,022,500		(2,022,500)	
Department of Natural Resources	447,500		(447,500)	
Attorney General	154,000		(154,000)	
Subtotal Wetlands Conservation	2,624,000		(2,624,000)	-100.00%
Minnesota Resources				
LCMR Administration	850,000	695,000	(155,000)	
Agriculture	2,090,000	4,707,000	2,617,000	
Energy	3,500,000	1,068,000	(2,432,000)	
Forestry	1,850,000	433,000	(1,417,000)	
General/Other		1,942,000	1,942,000	
Information/Education	3,485,000	2,379,000	(1,106,000)	
Land	4,826,000	975,000	(3,851,000)	
Minerals	120,000	179,000	59,000	
Recreation	4,349,000	17,384,000	13,035,000	
Water	5,769,000	4,085,000	(1,684,000)	
Wildlife, Fisheries, Plants	6,680,000	7,427,000	747,000	
Waste	235,000		(235,000)	
Transfer to the General Fund	2,000,000		(2,000,000)	
Subtotal Minnesota Future Resources	35,754,000	41,274,000	5,520,000	15.44%
State Appropriations	\$ 361,090,000	\$ 374,091,000	\$ 13,001,000	3.60%
Federal Appropriations	6,766,000	13,319,000	6,553,000	96.85%
Total Natural Resources Category	\$ 367,856,000	\$ 387,410,000	\$ 19,554,000	5.32%
Pollution Control				
Pollution Control Agency				
Water Pollution Control	\$ 12,418,000	\$ 12,783,000	\$ 365,000	
Air Pollution Control	10,492,000	12,620,000	2,128,000	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Groundwater and Solid Waste				
Pollution Control	\$ 20,321,000	\$ 26,466,000	\$ 6,145,000	
Hazardous Waste Pollution Control	9,763,000	10,015,000	252,000	
Hazardous Waste Pollution Control Reduction	(125,000)		125,000	
General Support	8,189,000	13,540,000	5,351,000	
Regional Support	104,000	104,000		
Hazardous Substances - Voluntary Response	545,000		(545,000)	
 Hopkins Landfill Cleanup	1,300,000	1,000,000	(300,000)	
Environmental Enforcement	890,000		(890,000)	
Appropriations Carried Forward	98,000		(98,000)	
Base Reduction	(340,000)		340,000	
Subtotal Pollution Control Agency	63,655,000	76,528,000	12,873,000	20.22%
 Onsite Treatment Grants		300,000	300,000	
 Hazardous Substance Release Liability Protection		688,000	688,000	
 Solid Waste Composting Grants		1,500,000	1,500,000	
 Spill Specific Preparedness		218,500	218,500	
 Office of Waste Management	12,646,000	12,427,000	(219,000)	-1.73%
 Recycling				
Office of Waste Management	250,000		(250,000)	
Department of Administration	96,000		(96,000)	
SCORE County Block Grants	28,016,000	28,016,000		
Subtotal Recycling	28,362,000	28,016,000	(346,000)	-1.22%
 State Appropriations	\$ 104,663,000	\$ 119,677,500	\$ 15,014,500	14.35%
 Federal Appropriations	46,506,000	43,453,000	(3,053,000)	-6.56%
 Total Pollution Control Category	\$ 151,169,000	\$ 163,130,500	\$ 11,961,500	7.91%

Protection of Workers

Department of Labor and Industry

Workers Compensation Regulation and Enforcement	\$ 15,213,000	\$ 24,371,000	\$ 9,158,000	
Workplace Services	8,448,000	10,199,000	1,751,000	
General Support	9,487,000	11,164,000	1,677,000	
Safety Program Grants	775,000		(775,000)	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Workers Compensation Vocational Rehabilitation Services	\$ 3,141,000	\$	\$ (3,141,000)	
Workers Compensation Reform	1,644,000		(1,644,000)	
Subtotal Department of Labor and Industry	38,708,000	45,734,000	7,026,000	18.15%
Workers Compensation Court of Appeals	2,647,000	2,578,000	(69,000)	-2.61%
Mediation Services	3,709,000	3,504,000	(205,000)	-5.53%
Department of Jobs and Training				
Employment & Training & Youth Employment	9,243,000	8,971,000	(272,000)	
Youthbuild		400,000	400,000	
Uniform Business Identifier Study		100,000	100,000	
Economic Opportunity Office		9,750,000	9,750,000	
Rehabilitation Services	34,730,000	35,224,000	494,000	
Services for the Blind	7,262,000	7,193,000	(69,000)	
Vinland Program	75,000		(75,000)	
Crime Bill	1,475,000		(1,475,000)	
Transitional Housing Programs		880,000	880,000	
Food Banks Program	800,000	1,200,000	400,000	
All Other Community-Based Services	1,866,000	8,944,000	7,078,000	
Subtotal Department of Jobs and Training	55,451,000	72,662,000	17,211,000	31.04%
Youth Apprenticeship Demonstration Program		1,000,000	1,000,000	
State Appropriations	\$ 100,515,000	\$ 125,478,000	\$ 24,963,000	24.84%
Federal Appropriations	423,159,000	447,011,000	23,852,000	5.64%
Total Protection of Workers Category	\$ 523,674,000	\$ 572,489,000	\$ 48,815,000	9.32%

Public Employees

Department of Employee Relations				
Administration	\$ 5,167,000	\$ 12,863,000	\$ 7,696,000	
Employee Insurance		3,128,000	3,128,000	
State Paid Insurance Supplement		9,780,000	9,780,000	
Labor Relations	1,045,000		(1,045,000)	
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	(445,000)		445,000	
Base Reduction	(973,000)		973,000	
Subtotal Department of Employee Relations	17,485,000	25,771,000	8,286,000	47.39%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
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 Aidp577Y	10,485,000	10,025,000	(460,000)	
Aid to Police and Fire Departments	85,077,000	92,400,000	7,323,000	
Legislators' Retirement	4,106,000	4,000,000	(106,000)	
Judges' Retirement	12,812,000	3,037,000	(9,775,000)	
Teachers' Retirement		6,090,000	6,090,000	
Firefighters' Relief Surcharge		805,000	805,000	
Constitutional Officers' Retirement	371,000	400,000	29,000	
Subtotal Retirement	134,861,000	138,767,000	3,906,000	2.90%
Total Public Employees Category	\$ 152,346,000	\$ 164,538,000	\$ 12,192,000	8.00%
Industry Regulation				
Department of Commerce				
Financial Examinations	\$ 10,502,000	\$ 12,043,000	\$ 1,541,000	
Registration and Analysis	4,282,000	5,184,000	902,000	
Administrative Services	3,586,000	4,312,000	726,000	
Enforcement and Licensing	6,607,000	6,869,000	262,000	
Petroleum Tank Release Cleanup Board	444,000	448,000	4,000	
Residential Contractors Licensing	912,000		(912,000)	
Reinsurance	1,718,000		(1,718,000)	
Subtotal Department of Commerce	28,051,000	28,856,000	805,000	2.87%
Insurance Buyout for Landfill Liability		200,000	200,000	
Petroleum Tank Release Compensation Board		1,296,000	1,296,000	
Real Estate Appraisal Advisory Board		54,000	54,000	
Nonhealth-Related Boards	1,322,000	1,320,000	(2,000)	-0.15%
Public Utilities Commission	4,886,000	6,442,000	1,556,000	31.85%
Public Service	15,308,000	17,430,000	2,122,000	
Energy Conservation Programs Study	80,000		(80,000)	
Subtotal Department of Public Service	15,388,000	17,430,000	2,042,000	13.27%
Department of Gaming	10,000		(10,000)	-100.00%
State Lottery Board (7)	84,352,000	85,434,000	1,082,000	1.28%
Lawful Gambling Control Board	3,858,000	3,868,000	10,000	0.26%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Racing Commission	\$ 2,338,000	\$ 566,000	\$ (1,772,000)	-75.79%
Gambling Enforcement—Public Safety	2,310,000	2,264,000	(46,000)	-1.99%
State Appropriations	\$ 142,515,000	\$ 147,730,000	\$ 5,215,000	3.66%
Federal Appropriations	970,000	927,000	(43,000)	-4.43%
Total Industry Regulation Category	\$ 143,485,000	\$ 148,657,000	\$ 5,172,000	3.60%

Public Safety

Department of Public Safety

Administration and Related Services	\$ 9,762,000	\$ 9,113,000	\$ (649,000)	
Emergency Management	3,078,000	3,946,000	868,000	
Emergency Response Commission	589,000		(589,000)	
Criminal Apprehension	30,165,000	29,108,000	(1,057,000)	
Fire Marshal	4,470,000	4,976,000	506,000	
State Patrol	83,181,000	85,995,000	2,814,000	
Capitol Security	2,602,000	2,840,000	238,000	
Driver and Vehicle Licensing	64,773,000	59,738,000	(5,035,000)	
Liquor Control	1,410,000	1,272,000	(138,000)	
Drug Policy	1,144,000	2,988,000	1,844,000	
Pipeline Safety	1,776,000	1,472,000	(304,000)	
Commission on Confinement and Treatment of DWI Recidivists	23,000		(23,000)	
DWI Repeat Offender Program Grants	500,000		(500,000)	
Crime Victims Services	3,207,000	3,670,000	463,000	
Crime Victims Ombudsman	143,000	146,000	3,000	
Children's Trust Fund	1,040,000		(1,040,000)	
Private Detective and Protective Agency Licensing Board	132,000	134,000	2,000	
Transfer to Trunk Highway Fund	3,506,000	3,312,000	(194,000)	
Highway User Tax Transfer to General Fund	2,052,000	1,432,000	(620,000)	
Sex Offender/Missing Children Bill	314,000		(314,000)	
DARE Advisory Council	145,000	380,000	235,000	
Traffic Safety	480,000	446,000	(34,000)	
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	1,900,000	548,000	
Appropriations Carried Forward	32,000		(32,000)	
Base Reduction	(74,000)		74,000	
Subtotal Department of Public Safety	217,343,000	212,868,000	(4,475,000)	-2.06%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Department of Corrections				
Management Services	\$ 20,739,000	\$ 30,955,000	\$ 10,216,000	
Community Services	78,872,000	97,027,000	18,155,000	
Correctional Institutions	234,374,000	277,166,000	42,792,000	
Crime Bill	3,897,000	3,100,000	(797,000)	
Claims Against the State		147,000	147,000	
Appropriations Carried Forward	5,745,000		(5,745,000)	
Board of Pardons Computerized Records	10,000		(10,000)	
Subtotal Department of Corrections	343,637,000	408,395,000	64,758,000	18.84%
Sentencing Guidelines Commission	502,000	753,000	251,000	50.00%
Corrections Ombudsman	860,000	918,000	58,000	6.74%
Board of Peace Officers Standards and Training	7,483,000	8,272,000	789,000	10.54%
Military Affairs				
Maintenance of Training Facilities	12,220,000	10,723,000	(1,497,000)	
General Support	3,523,000	3,074,000	(449,000)	
Enlistment Incentives	4,700,000	4,700,000		
Base Cut	(503,000)		503,000	
Appropriations Carried Forward	780,000		(780,000)	
National Guard Armories Reduction	(784,000)		784,000	
Subtotal Department of Military Affairs	19,936,000	18,497,000	(1,439,000)	-7.22%
State Appropriations	\$ 589,761,000	\$ 649,703,000	\$ 59,942,000	10.16%
Federal Appropriations	58,184,000	59,702,000	1,518,000	2.61%
Total Public Safety Category	\$ 647,945,000	\$ 709,405,000	\$ 61,460,000	9.49%

Governance

Legislature				
Senate	\$ 32,451,000	\$ 30,523,000	\$ (1,928,000)	
House	43,425,000	42,404,000	(1,021,000)	
Legislative Coordinating Commission	14,633,000	14,104,000	(529,000)	
Legislative Audit Commission	7,671,000	7,887,000	216,000	
Commission on Confinement and Treatment of DWI Recidivists	15,000		(15,000)	
Hearing Impaired Access	30,000		(30,000)	
Appropriations Carried Forward	3,777,000		(3,777,000)	
Base Reduction	(4,543,000)		4,543,000	
Subtotal Legislature	97,459,000	94,918,000	(2,541,000)	-2.61%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Courts				
Supreme Court				
Operations	\$ 7,826,000	\$ 7,720,000	\$ (106,000)	
State Court Administrator	15,292,000	14,474,000	(818,000)	
State Law Library	3,333,000	3,308,000	(25,000)	
Low Income and				
Family Farm Legal Assistance	4,228,000	9,014,000	4,786,000	
Base Cut	(388,000)		388,000	
Divorce Education Program	30,000		(30,000)	
Family Law Legal Assistance	1,780,000	1,754,000	(26,000)	
Anoka County Alternative Dispute Resolution	5,000		(5,000)	
Legal Services Increase	625,000		(625,000)	
Appropriations Carried Forward	24,000		(24,000)	
Court of Appeals	11,385,000	11,400,000	15,000	
District Courts	96,246,000	120,846,000	24,600,000	
Board on Judicial Standards	352,000	354,000	2,000	
Board of Public Defense	6,149,000	3,054,000	(3,095,000)	
State Public Defender	4,096,000	4,830,000	734,000	
District Public Defense	36,492,000	43,886,000	7,394,000	
Base Cut	(656,000)		656,000	
Crime Bill	725,000	200,000	(525,000)	
Tax Court	1,134,000	1,033,000	(101,000)	
Subtotal Courts	188,678,000	221,873,000	33,195,000	17.59%
Constitutional Officers				
Governor and Lieutenant Governor	7,403,000	6,941,000	(462,000)	-6.24%
Secretary of State				
Elections and Publications	1,583,000	853,000	(730,000)	
Uniform Commercial Code	441,000		(441,000)	
Business Services	1,446,000		(1,446,000)	
Administration	915,000	1,608,000	693,000	
Operations	424,000	8,010,000	7,586,000	
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	2,119,000		(2,119,000)	
Base Reduction	(248,000)		248,000	
Redistricting Implementation		65,000	65,000	
Campaign Finance	14,000		(14,000)	
Computerized Farm Products Filing System	357,000		(357,000)	
Subtotal Secretary of State	10,036,000	10,536,000	500,000	4.98%
State Auditor	12,996,000	14,649,000	1,653,000	12.72%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
State Treasurer	\$ 2,378,000	\$ 4,934,000	\$ 2,556,000	107.49%
Attorney General				
Government Services	8,393,000	10,174,000	1,781,000	
Public and Human Resources		9,198,000	9,198,000	
Public Resources	5,636,000		(5,636,000)	
Human Resources	3,105,000		(3,105,000)	
Legal Policy and Administration	5,494,000	5,692,000	198,000	
Law Enforcement	8,613,000	8,365,000	(248,000)	
Business Regulation	8,667,000	8,627,000	(40,000)	
Skeen versus State of Minnesota Appeal	50,000		(50,000)	
Residential Contractors Licensing	216,000		(216,000)	
Base Cut	(997,000)	(1,221,000)	(224,000)	
Solicitor General	2,998,000	4,276,000	1,278,000	
Crime Bill	75,000		(75,000)	
Reinsurance	200,000		(200,000)	
Environmental Enforcement	238,000		(238,000)	
Subtotal Attorney General	42,688,000	45,111,000	2,423,000	5.68%
Investment Board	3,862,000	4,044,000	182,000	4.71%
Subtotal Constitutional Officers	79,363,000	86,215,000	6,852,000	8.63%
State Appropriations	\$ 365,500,000	\$ 403,006,000	\$ 37,506,000	10.26%
Federal Appropriations	1,858,000	2,126,000	268,000	14.42%
Total Governance Category	\$ 367,358,000	\$ 405,132,000	\$ 37,774,000	10.28%
Other Departments, Boards, and Commissions				
Office of Administrative Hearings	\$ 7,075,000	\$ 7,599,000	\$ 524,000	7.41%
Department of Administration				
Operations Management	9,278,000	9,468,000	190,000	
Information Management	16,385,000	14,220,000	(2,165,000)	
Property Management	31,736,000	17,710,000	(14,026,000)	
Administrative Management	5,800,000	9,383,000	3,583,000	
Management Analysis	1,180,000	1,144,000	(36,000)	
Information Policy Office	3,740,000	3,645,000	(95,000)	
Grants to Public Television and Radio	1,238,000		(1,238,000)	
Base Cut	(1,231,000)		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)	

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
CORE	\$ 1,300,000	\$	(1,300,000)	
Transfers from State Planning Agency	4,434,000		(4,434,000)	
Subtotal Department of Administration	76,198,000	55,570,000	(20,628,000)	-27.07%
Capitol Area Architectural and Planning Board	489,000	660,000	171,000	34.97%
Department of Finance	20,356,000	41,189,000	20,833,000	
Base Cut	(530,000)		530,000	
Transfer to Department of Agriculture (RFA)	(330,000)		330,000	
Local Government Trust Fund Administration	200,000	210,000	10,000	
Subtotal Department of Finance	19,696,000	41,399,000	21,703,000	110.19%
Department of Revenue				
Revenue Administration	43,273,000	420,000	(42,853,000)	
Tax Policy	8,091,000		(8,091,000)	
Property and Special Taxes	20,167,000	12,271,000	(7,896,000)	
Sales and Use Taxes		51,156,000	51,156,000	
Customer Service and Information	26,980,000		(26,980,000)	
Tax Compliance	45,304,000		(45,304,000)	
Local Sales Tax Administration	220,000		(220,000)	
Open and Standing	2,200,000	300,000	(1,900,000)	
Income Tax Sample	151,000		(151,000)	
Income and Withholding Tax Systems		84,141,000	84,141,000	
Local Government Trust Fund Administration	1,412,000		(1,412,000)	
General Administration	949,000		(949,000)	
Financial Transaction Fees	216,000		(216,000)	
Appropriations Carried Forward	40,000		(40,000)	
Base Cut	(2,562,000)		2,562,000	
Subtotal Department of Revenue	146,441,000	148,288,000	1,847,000	1.26%
Office of Strategic and Long Range Planning	5,914,000	7,172,000	1,258,000	21.27%
Advisory Commission On Intergovernmental Relations	50,000	50,000		
Local Government Efficiency and Cooperation		1,200,000	1,200,000	
Intergovernmental Information Systems Advisory Council		1,200,000	1,200,000	
Ethical Practices Board	691,000	1,113,000	422,000	61.07%
Human Rights	6,351,000	6,382,000	31,000	0.49%
Indian Affairs Council	899,000	930,000	31,000	3.45%
Council on Affairs of Spanish-Speaking People	433,000	497,000	64,000	14.78%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Council on Black Minnesotans	\$ 395,000	\$ 451,000	\$ 56,000	14.18%
Council on Asian-Pacific Minnesotans	344,000	401,000	57,000	16.57%
Council on People with Disabilities	1,151,000	1,132,000	(19,000)	-1.65%
Minnesota Municipal Board	561,000	599,000	38,000	6.77%
Uniform Laws Commission	43,000	50,000	7,000	16.28%
Minnesota Historical Society	25,359,000	36,196,000	10,837,000	42.73%
Board of the Arts	7,981,000	12,508,000	4,527,000	56.72%
Minnesota Humanities Commission	484,000	522,000	38,000	7.85%
Board of Architecture	1,035,000	1,159,000	124,000	11.98%
Minnesota Horticultural Society	143,000	144,000	1,000	0.70%
Minnesota Academy of Science	68,000	72,000	4,000	5.88%
Science Museum of Minnesota	2,416,000	2,222,000	(194,000)	-8.03%
Minnesota Safety Council	142,000	134,000	(8,000)	-5.63%
Veterans of Foreign Wars	62,000	62,000		
Disabled American Veterans	25,000	24,000	(1,000)	-4.00%
Military Order of the Purple Heart	20,000	20,000		
State Appropriations	\$ 304,466,000	\$ 327,756,000	\$ 20,890,000	6.86%
Federal Appropriations	12,163,000	12,859,000	696,000	5.72%
Total Other Departments, Boards, and Commissions Category	\$ 316,629,000	\$ 340,615,000	\$ 23,986,000	7.58%
Direct Capital Appropriations and Debt Service				
Debt Service	\$ 410,310,000	\$ 457,455,000	\$ 47,145,000	
Short-term Borrowing		1,138,000	1,138,000	
Total Direct Capital Appropriations and Debt Service Category	\$ 410,310,000	\$ 458,593,000	\$ 48,283,000	11.77%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Miscellaneous				
General Contingent Accounts				
General Fund	\$ 2,440,000	\$ 400,000	\$ (2,040,000)	
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	3,790,000	1,750,000	(2,040,000)	-53.83%
Dedicated General Fund Appropriations	74,000,000	83,845,000	9,845,000	13.30%
Tort Claims	1,806,000	1,800,000	(6,000)	-0.33%
Campaign Financing		1,500,000	1,500,000	
Campaign Fund Checkoff	4,270,000	3,754,000	(516,000)	-12.08%
Claims Against the State	239,954		(239,954)	-100.00%
Arbitrage Rebate	2,196,000	4,600,000	2,404,000	109.47%
Transfer of Lands	20,000		(20,000)	-100.00%
Debt Paying Agent Fees	80,000	72,000	(8,000)	-10.00%
Loans to Revolving Fund	6,303,000	6,000,000	(303,000)	-4.81%
Indirect Costs - Public Finance Funds	(114,000)		114,000	-100.00%
Appropriations Carried Forward	715,000		(715,000)	-100.00%
Total Miscellaneous Category	\$ 19,305,954	\$ 103,321,000	\$ 84,015,046	435.18%

State Appropriations - Gross	\$ 17,034,711,729	\$ 19,134,178,500	\$ 2,097,066,771	12.31%
Indirect Cost Receipts	(21,165,000)	(22,520,000)	(1,355,000)	6.40%
Cancellations	(16,241,000)	(20,000,000)	(3,759,000)	23.15%
State Appropriations - Net	\$ 16,997,305,729	\$ 19,091,658,500	\$ 2,091,952,771	12.31%
Federal Funds Appropriations	5,188,363,000	5,878,436,000	690,073,000	13.30%
Total Appropriations	\$ 22,185,668,729	\$ 24,970,094,500	\$ 2,784,425,771	12.55%

	1991-1993 Biennium	1993-1995 Biennium	Increase (Decrease)	Percent Change
Budget and Cash Flow Reserve	\$ 240,000,000	\$ 360,000,000	\$ 120,000,000	50.00%

NOTES:

- (1) The numbers in this column represent appropriations made during the 1991 and 1992 legislative sessions. In addition to these appropriations, the 1993 Legislature made the following deficiency appropriations for fiscal year 1992-93:

Higher Education Coordinating Board State Grant Program	\$3,000,000
Department of Natural Resources Treaty Legal Costs	\$120,000
Human Rights Department, Workers' Compensation	\$150,000
Public Safety, Disaster Relief (Tornadoes)	\$545,000
Public Safety, Disaster Relief (Ice Storms)	\$85,000
Dept. of Trade & Economic Dev., Job Skills Partnership Grants	\$500,000
Public Utilities Commission, EAS Balloting	\$41,000
MAXIS Overrun	\$13,286,000

- (2) Higher Education appropriations paid for with revenue from tuition and fees are not shown in this report, as these revenues and expenditures are self-cancelling.
- (3) Dedicated appropriations for Human Services are no longer shown here. County share medical payments have been discontinued. The Hospital Revolving Account is now shown as part of MA and GAMC Grants in the table above. The miscellaneous dedicated appropriations shown here are now shown as part of the Dedicated General Fund Appropriations line in the Miscellaneous section.
- (4) The Legislature has authorized this transfer from the Health Care Access Fund to the General Fund and to the Special Revenue Fund for MAXIS.
- (5) For the 1991-1993 biennium, the Legislature appropriated funds specifically for the Metro Mobility Program. For the 1993-1995 biennium, the Legislature specified appropriations for the regular route service and community-based agency costs as well as for the Metro Mobility Program.
- (6) This increase reflects that several non-general fund open and standing appropriations have been converted to direct general fund appropriations.
- (7) The appropriation for the State Lottery Board equals the statutory maximum of 14.5 percent of gross lottery revenues for the biennium, as per Minnesota Statutes 349.10(3).

Table D

Direct Appropriations
by Fund, by Chapter

Chapter	Fund	FY 1994	FY 1995	Biennial Total
County-State Aid Highway Fund				
266	Transportation and Public Safety	\$ 246,890,000	\$ 247,890,000	\$ 494,780,000
	Total County-State Aid Highway Fund	\$ 246,890,000	\$ 247,890,000	\$ 494,780,000
Environmental Fund				
172	Environment and Natural Resources	\$ 29,568,000	\$ 30,028,000	\$ 59,596,000
192	State Departments and Legislature	206,000	206,000	412,000
266	Transportation and Public Safety	240,000	240,000	480,000
287	Hazardous Substances	361,000	327,000	688,000
341	Petroleum Tank Cleanup	778,000	736,500	1,514,500
369	Community Development	434,000	434,000	868,000
	Total Environmental Fund	\$ 31,587,000	\$ 31,971,500	\$ 63,558,500
Environmental Trust Fund				
172	Environment and Natural Resources	\$ 24,600,000		\$ 24,600,000
	Total Environmental Trust Fund	\$ 24,600,000		\$ 24,600,000
Game and Fish Fund				
172	Environment and Natural Resources	\$ 52,110,000	\$ 53,201,000	\$ 105,311,000
192	State Departments and Legislature	140,000	140,000	280,000
	Total Game and Fish Fund	\$ 52,250,000	\$ 53,341,000	\$ 105,591,000
General Fund				
146	Public Defense, Corrections and Gaming	\$ 231,059,000	\$ 240,368,000	\$ 471,427,000
172	Environment and Natural Resources	146,729,000	143,560,000	290,289,000
192	State Departments and Legislature	335,255,000	331,721,000	666,976,000
208	Secretary of State - Redistricting	54,000	11,000	65,000
224	K-12 Education	2,442,665,000	2,739,431,000	5,182,096,000
266	Transportation and Public Safety	74,582,000	66,851,000	141,433,000
278	Claims Against the State	166,000		166,000
291	Indian Welfare-Adoption Act	73,000	62,000	135,000
309	Real Estate Appraisal Board	27,000	27,000	54,000
311	Natural Resources Off-Road Programs	385,000		385,000

Chapter	Fund	FY 1994	FY 1995	Biennial Total
326	Crime	4,655,000	4,690,000	9,345,000
335	Youth Apprenticeship	500,000	500,000	1,000,000
357	Teachers' Retirement	3,000,000	3,090,000	6,090,000
367	Agriculture Education Specialist	35,000	35,000	70,000
369	Community Development	177,980,000	153,915,000	331,895,000
371	Office of Waste Management Composting	1,500,000		1,500,000
375	Taxes	301,000	1,319,000	1,620,000
SS 1	Human Services	2,126,708,000	2,249,286,000	4,375,994,000
SS 2	Higher Education	1,005,181,000	1,037,819,000	2,043,000,000
SS 3	Ethical Practices Board		250,000	250,000
Total General Fund		\$ 6,550,855,000	\$ 6,972,935,000	\$ 13,523,790,000
Health Care Access Fund				
345	MinnesotaCare	\$ 68,504,000	\$ 140,151,000	\$ 208,655,000
Total Health Care Access Fund		\$ 68,504,000	\$ 140,151,000	\$ 208,655,000
Highway User Tax Distribution Fund				
192	State Departments and Legislature	\$ 2,669,000	\$ 2,669,000	\$ 5,338,000
266	Transportation and Public Safety	11,551,000	11,458,000	23,009,000
Total Highway User Tax Distribution Fund		\$ 14,220,000	\$ 14,127,000	\$ 28,347,000
Local Government Trust Fund				
192	State Departments and Legislature	\$ 300,000	\$ 300,000	\$ 600,000
375	Taxes	59,892,000	59,829,000	119,721,000
Total Local Government Trust Fund		\$ 60,192,000	\$ 60,129,000	\$ 120,321,000
Metro Landfill Contingency				
172	Environment and Natural Resources	\$ 797,000	\$ 797,000	\$ 1,594,000
263	Hopkins Landfill Cleanup	1,000,000		1,000,000
SS 1	Human Services	191,000	204,000	395,000
Total Metro Landfill Contingency		\$ 1,988,000	\$ 1,001,000	\$ 2,989,000
Minnesota Resources Fund				
172	Environment and Natural Resources	\$ 14,662,000	\$	\$ 14,662,000
Total Minnesota Resources Fund		\$ 14,662,000	\$	\$ 14,662,000

Chapter	Fund	FY 1994	FY 1995	Biennial Total
Municipal-State Aid Street Fund				
266	Transportation and Public Safety	\$ 71,990,000	\$ 71,990,000	\$ 143,980,000
	Total Municipal-State Aid Street Fund	\$ 71,990,000	\$ 71,990,000	\$ 143,980,000
Natural Resources Fund				
172	Environment and Natural Resources	\$ 18,066,000	\$ 17,547,000	\$ 35,613,000
235	Nuisance Exotic Aquatic Vegetation Control	347,000	448,000	795,000
311	Natural Resources Off-Road Programs		270,000	270,000
	Total Natural Resources Fund	\$ 18,413,000	\$ 18,265,000	\$ 36,678,000
Permanent School Fund				
172	Environment and Natural Resources	\$ 374,000	\$ 104,000	\$ 478,000
224	K-12 Education	32,000,000	32,000,000	64,000,000
	Total Permanent School Fund	\$ 32,374,000	\$ 32,104,000	\$ 64,478,000
Special Revenue Fund				
146	Public Defense, Corrections and Gaming	\$ 4,136,000	\$ 4,136,000	\$ 8,272,000
172	Environment and Natural Resources	12,328,000	10,351,000	22,679,000
192	State Departments and Legislature	6,716,000	6,716,000	13,432,000
201	Hearing Instrument Regulation	45,000	49,000	94,000
224	K-12 Education	702,000	702,000	1,404,000
232	Athletic Trainer Licensure	20,000	20,000	40,000
266	Transportation and Public Safety	1,252,000	1,252,000	2,504,000
298	Agricultural Loan Administration	30,000	30,000	60,000
303	Asbestos Abatement	102,000	162,000	264,000
332	Rural Finance Authority Administration	6,000	6,000	12,000
342	Agricultural Loan Restructuring	17,000	17,000	34,000
369	Community Development	3,381,000	2,631,000	6,012,000
SS 1	Human Services	33,200,000	34,682,000	67,882,000
	Total Special Revenue Fund	\$ 61,935,000	\$ 60,754,000	\$ 122,689,000
State Airport Fund				
266	Transportation and Public Safety	\$ 16,884,000	\$ 15,681,000	\$ 32,565,000
SS 4	State Airplane and Budget Reserve		1,080,000	1,080,000
	Total State Airport Fund	\$ 16,884,000	\$ 16,761,000	\$ 33,645,000
State Lottery Fund				
146	Public Defense, Corrections and Gaming	\$ 235,000	\$ 240,000	\$ 475,000
	Total State Lottery Fund	\$ 235,000	\$ 240,000	\$ 475,000

Chapter	Fund	FY 1994	FY 1995	Biennial Total
Trunk Highway Fund				
192	State Departments and Legislature	\$ 32,000	\$ 32,000	\$ 64,000
224	K-12 Education	21,000	21,000	42,000
266	Transportation and Public Safety	569,472,000	575,022,000	1,144,494,000
369	Community Development	667,000	667,000	1,334,000
SS 1	Human Services	1,488,000	1,510,000	2,998,000
SS 4	State Airplane and Budget Reserve		1,620,000	1,620,000
Total Trunk Highway Fund		\$ 571,680,000	\$ 578,872,000	\$ 1,150,552,000
Workers' Compensation Fund				
146	Public Defense, Corrections and Gaming	\$ 1,284,000	\$ 1,294,000	\$ 2,578,000
192	State Departments and Legislature	3,897,000	3,902,000	7,799,000
369	Community Development	21,976,000	15,663,000	37,639,000
Total Workers' Compensation Fund		\$ 27,157,000	\$ 20,859,000	\$ 48,016,000
Grand Total		\$ 7,866,416,000	\$ 8,321,390,500	\$ 16,187,806,500

Table E

**Open and Standing Appropriations
Fiscal Years 1994 and 1995**

	FY 1994	FY 1995	Biennium
Aids and Credits - Open and Standing Appropriations			
Property Tax Refund			
Homeowners	\$ 51,400,000	\$ 53,300,000	\$ 104,700,000
Renters	88,700,000	88,600,000	177,300,000
Targeting	16,000,000	5,500,000	21,500,000
Homestead Credit and Agricultural			
Credit (HACA)	612,743,000	601,775,000	1,214,518,000
Disparity Aid	42,597,000	28,015,000	70,612,000
Border City Disparity Credit	3,667,000	4,183,000	7,850,000
Border City Enterprise Zone	700,000	700,000	1,400,000
Local Government Aid	290,993,000	333,542,000	624,535,000
Corrections Aid	8,400,000	8,400,000	16,800,000
Attached Machinery Aid	3,218,000	3,218,000	6,436,000
Supplemental Homestead Property Tax Relief	825,000	911,000	1,736,000
Equalization Aid	20,011,000	0	20,011,000
Transition Credit	49,000	0	49,000
In-Lieu of Taxes Payments on DNR Lands	4,540,000	5,040,000	9,580,000
Enterprise Zone Credit	29,000	29,000	58,000
Regional Transit Board Levy Reduction	3,505,000	2,930,000	6,435,000
Region 3 - Occupation Tax	380,000	367,000	747,000
Aids and Credits - Open and Standing Appropriations	\$ 1,147,757,000	\$ 1,136,510,000	\$ 2,284,267,000
Other Open and Standing Appropriations			
State Lottery Board	\$ 42,717,000	\$ 42,717,000	\$ 85,434,000
Political Contribution Refunds	3,000,000	2,200,000	5,200,000
Minneapolis Employees' Retirement Fund	10,455,000	10,455,000	20,910,000
Pre-1973 Retirement Adjustment	550,000	550,000	1,100,000
Local Police and Fire Amortization Aid	3,970,000	6,055,000	10,025,000
Aid to Police and Fire Departments	45,200,000	47,200,000	92,400,000
Legislators' Retirement	2,000,000	2,000,000	4,000,000
Judges' Retirement	1,485,000	1,552,000	3,037,000
Constitutional Officers' Retirement	200,000	200,000	400,000
Teachers' Retirement	3,000,000	3,090,000	6,090,000
Firefighters' Relief Surcharge	400,000	405,000	805,000
Debt Service and Borrowing	236,332,000	226,861,000	463,193,000
Other Open and Standing	19,681,000	26,994,000	46,675,000
Other Open and Standing Appropriations	\$ 368,990,000	\$ 370,279,000	\$ 739,269,000
Total Open and Standing Appropriations	\$ 1,516,747,000	\$ 1,506,789,000	\$ 3,023,536,000

Table F

**Biennial Appropriations of Federal Funds
Fiscal Years 1994 and 1995**

	FY 1994	FY 1995	Biennium
Elementary and Secondary Education	\$ 269,428,000	\$ 269,549,000	\$ 538,977,000
Higher Education	34,859,000	34,859,000	69,718,000
Human Services	1,890,514,000	1,976,236,000	3,866,750,000
Health	86,890,000	87,170,000	174,060,000
Transportation	293,563,000	299,373,000	592,936,000
Agriculture	2,258,000	2,258,000	4,516,000
Economic Development	26,041,000	26,041,000	52,082,000
Natural Resources	6,746,000	6,573,000	13,319,000
Pollution Control	21,799,000	21,654,000	43,453,000
Protection of Workers	223,386,000	223,625,000	447,011,000
Industry Regulation	490,000	437,000	927,000
Public Safety	30,105,000	29,597,000	59,702,000
Governance	1,063,000	1,063,000	2,126,000
Other	6,452,000	6,407,000	12,859,000
Total	\$ 2,893,594,000	\$ 2,984,842,000	\$ 5,878,436,000

Appendix

Tax Reference Information

(Selected Taxes)

Individual Income Tax:

Tax Base:	Federal taxable income with certain modifications
Tax Rates:	(Tax Year 1993)
	Married Joint Returns:
	\$ 1 - 21,600 6%
	21,601 - 85,830 8%
	85,831 and over 8.5%
	Single:
	\$ 1 - 14,780 6%
	14,781 - 48,550 8%
	48,551 and over 8.5%
	Heads of Households:
	\$ 1 - 18,190 6%
	18,191 - 73,110 8%
	73,111 and over 8.5%
	Married Separate Returns:
	\$ 1 - 10,800 6%
	10,801 - 42,920 8%
	42,921 and over 8.5%
Recent Collections:	FY 1992 \$ 3,144,639,000
	FY 1993 3,477,199,000
Disposition:	General Fund

Corporation Franchise Tax:

Tax Base:	Minnesota taxable net income of the corporation ("Domestic Unitary" reporting method is used)
Tax Rate:	9.8%
Major Exemptions:	Nonprofit corporations Cooperative associations Credit unions Mining companies subject to occupation tax
Apportionment Factors:	Minnesota Property ratio weighted 15% Minnesota Payroll ratio weighted 15% Minnesota Sales ratio weighted 70%
Recent Collections:	FY 1992 \$ 422,812,000
	FY 1993 510,771,000
Disposition:	General Fund

Sales and Use Tax:

Tax Base:	Sale and rental of tangible personal property at retail
Major Exemptions:	Food (off-premise consumption) Prescription drugs Clothing Gasoline Motor vehicles (excise tax) Many professional services Capital equipment for new or expanded manufacturing
Tax Rates:	General rate 6.5% Liquor and beer 9.0% Special tooling 4.5% Farm machinery, logging equipment 2.5%

NOTE: Tax rates include 0.5 percent county option tax.

Recent Collections:	FY 1992 \$2,193,611,000
	FY 1993 2,365,733,000
Disposition:	General Fund (30.8%) Local Gov't Trust Fund (69.2%)

Motor Vehicle Excise Tax:

Tax Base:	Purchase price (less trade-in value) of any motor vehicle required to be registered in Minnesota
Major Exemptions:	Purchases for resale by dealers Inheritances Gratuitous transfers between joint owners, spouses, parents, children
Tax Rate:	6.5% (for vehicles 10 years of age or older: \$10)
	NOTE: Tax rate includes 0.5 percent county option tax.
Recent Collections:	FY 1992 \$ 270,313,000
	FY 1993 296,279,000
Disposition:	General Fund (69.2%) Local Gov't Trust Fund (30.8%)

Motor Fuels Tax:

Tax Base: Gallons of gasoline or special fuel used in highway vehicles, snowmobiles, motorboats, all-terrain vehicles and aircraft

Credits: Refunds or credits are available for non-highway use (except for that used in snowmobiles, motorboats, and all-terrain vehicles)

Tax Rate: 20 cents per gallon except in certain border areas
Aviation fuels: 5 cents per gallon, reduced by refund based on annual purchases

Recent Collections: FY 1992 \$ 464,619,000
FY 1993 473,010,000

Disposition: Highway user tax distribution fund (Aviation revenues to state airports fund)
(Marine, snowmobile and all-terrain vehicle revenues to special revenue fund)

Alcoholic Beverages Tax:

Tax Base: Distilled spirits, beers, malt beverages, wines and premixed alcoholic beverages manufactured or received for sale in Minnesota

Tax Rates: Beer (rates per 31-gallon barrel):
3.2% or less alcohol by weight: \$2.40
More than 3.2% \$4.60
Distilled spirits:
Per gallon \$5.03

Wine (alcohol by volume):
14% or less \$0.30 per gallon
14% to 21% \$0.95 per gallon
21% to 24% \$1.82 per gallon
More than 24% \$3.52 per gallon
Sparkling wine \$1.82 per gallon

Recent Collections: FY 1992 \$54,661,000
FY 1993 55,187,000

Disposition: General Fund

Cigarette Tax:

Tax Base: Cigarettes sold or used in Minnesota

Credits: Distributors receive a 1.0% discount on the first \$1.5 million of stamps purchased and 0.60% on additional purchases

Tax Rate: 48 cents per pack of 20

Recent Collections: * FY 1992 \$ 165,332,000
FY 1993 164,128,000

* Revenue includes tobacco products which are taxed at 35% of wholesale price.

Disposition: Debt service on specified bonds (paid first)
2 cents per pack to Future Resources Fund
5 cents per pack to Health Care Access Fund (expires December 31, 1993)
Balance to General Fund

Gambling Taxes:

Lawful Gambling Tax:

Tax Base: Gross receipts of a licensed organization from lawful gambling (bingo, raffles and paddlewheels)
less prizes actually paid out

Tax Rate: 10%

Pull-Tab and Tipboard Tax:

Tax Base: Ideal gross of each pull-tab or tipboard deal sold by a distributor

Tax Rate: 2%

Combined Receipts Tax:

Tax Base: Gross receipts from all lawful gambling, except bingo, raffles and paddlewheels, at the following rates:

Receipts	Rate
\$ 0 - 500,000	0%
500,001 - 700,000	2%
700,001 - 900,000	4%
900,001 and over	6%

Recent Collections: FY 1992 \$55,319,000
FY 1993 56,495,000

Disposition: General Fund

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