

HOUSE RESEARCH

Bill Summary

FILE NUMBER: H.F. 93

DATE: June 23, 2005

Version: As introduced

Authors: Solberg and others

Subject: State Budget Structural Balance Appropriations

Analyst: See individual articles

This publication can be made available in alternative formats upon request. Please call 651-296-6753 (voice); or the Minnesota State Relay Service at 1-800-627-3529 (TTY) for assistance. Summaries are also available on our website at: www.house.mn/hrd.

Table of Contents

Article 1: Summary	2
Article 2: Early Childhood Education	2
Article 3: K-12 Education	2
Article 4: Environment, Natural Resources, and Agriculture Appropriations	3
Article 5: Economic Development	5
Article 6: Transportation and Other Agencies	11
Article 7: Appropriations (Health and Human Services)	17
Article 8: Human Services Policy	24

Article 1: Summary

Overview

Summarizes general fund appropriations in this bill of \$10.5 million for fiscal year 2006 and \$10.9 million for fiscal year 2007 by spending category.

Article 2: Early Childhood Education

(Analyst: Tim Strom, 296-1886)

Overview

This article appropriates money for child care programs, early childhood education programs, adult education programs and community education programs. All appropriations are at the "base" budget level for the 2006-07 school year.

- 1 Appropriations; Department of Education. Appropriates the base budget level of funding from the state general fund to the commissioner of education for school readiness, Head Start, early education programs such as ECFE, community education programs, and adult education programs.
- 2 Appropriations; Department of Human Services. Appropriates \$30,262,000 in both FY 06 and FY 07 from the general fund to the department of human services for child care payments under the basic sliding fee program. This appropriation is the base budget amount.

Article 3: K-12 Education

(Analyst: Tim Strom, 296-1886)

Overview

This article appropriates money for kindergarten through grade 12 education programs. All appropriations are at the "base" budget level for the 2006-07 school year except for the department of education budget which is reduced by \$2.5 million from the base budget amount and the appropriation for school district property tax abatements, which is reduced due to a change in the payment dates of the state aid.

1. 1 Debt service appropriation. Adjusts the fixed standing appropriation for the debt service equalization aid program for fiscal years 2008 and 2009 to match the forecasted amount of aid payments for fiscal years 2008 and 2009.
- 2 Abatements. Adjusts the calculation of the state aid payment to school districts to account for property tax abatements by moving the certified levy amounts that are used in the calculation from the preceding year to the third preceding year.
- 3 Appropriations; department of education. Appropriates the base budget level of funding from the state general fund to the commissioner of education for all K-12 education programs. The only appropriations that are not at base budget are appropriation for the

department of education, which is reduced by \$2.5 million for the biennium and the appropriation for school district abatement aid, which is reduced by \$898,000 to match the formula changes contained in section 2.

- 4 Appropriations; Minnesota State Academies. Appropriates the base budget level of funding from the state general fund to the Minnesota State Academies for the Deaf and the Blind.
- 5 Appropriations; Perpich Center for Arts Education. Appropriates the base budget level of funding from the state general fund to the Perpich Center for Arts Education.

Article 4: Environment, Natural Resources, and Agriculture Appropriations

(Analysts: Sam Rankin, Agriculture, 296-5047

Bob Eleff, Environment, 296-8961

John Helland, Natural Resources, 296-5039)

Overview

This article appropriates money from the general fund and other funds for the Pollution Control Agency, the Office of Environmental Assistance, the Zoological Board, the Department of Natural Resources, the Minnesota Conservation Corps, the Board of Water and Soil Resources, the Science Museum, the Metropolitan Council, the Department of Agriculture, the Board of Animal Health, Agricultural Utilization Research Institute, and for mineral payments.

1. 1 Environment, Natural Resources, and Agriculture Appropriations. Appropriates the same amount as the 2005 introduced Senate File 1879, including \$341,359,000 from the general fund for the biennium, and \$712, 547,000 in total appropriations.
- 2 **Pollution Control Agency** - \$ 105,958,000 for the biennium.

Subd. 3. Air. Appropriates \$8,765,000 in each fiscal year from the environmental fund to the PCA for air quality activities.

Up to \$150,000 in each fiscal year may be transferred to the environmental fund from the small business environmental loan program, which provides loans for capital expenditures needed to meet or exceed environmental standards or for investigation and cleanup of contaminated sites.

\$200,000 is appropriated in each fiscal year for a statewide monitoring program to measure releases, ambient concentrations, and deposition of toxic substances, and to compile an inventory of their sources.

\$125,000 is appropriated in each fiscal year to monitor hazardous pollutants in ambient air in the metro area.

Subd. 4. Land. Appropriates \$18,469,000 in each fiscal year - \$7,065,000 from the environmental fund and \$11,404,000 from the remediation fund - for land activities.

Revenues in the remediation fund that are not appropriated for environmental response, compensation and compliance are appropriated to the commissioners of

PCA and the department of agriculture for remedial action responding to land contamination, excluding land purchases and assessment and recovery of natural resource damages. The commissioners must jointly file an annual spending plan with the commissioner of finance that allocates the money between the agencies. This appropriation is available until June 30, 2007.

\$574,000 is appropriated in each fiscal year from the petroleum tank fund for transfer to the remediation fund to protect land from leaking underground storage tanks.

\$200,000 is transferred in each fiscal year from the remediation fund to the department of health to monitor private water supplies and conduct health assessments in areas contaminated by unpermitted solid waste disposal facilities.

- 3 Office of Environmental Assistance - \$39,805,000 for the biennium.
- 4 Zoological Board - \$13,362,000 for the biennium.
- 5 Department of Natural Resources - \$424,316,000 for the biennium.
- 6 Minnesota Conservation Corps - \$1,680,000 for the biennium.
- 7 Board of Water and Soil Resources - \$30,262,000 for the biennium.
- 8 Science Museum - \$1,500,000 for the biennium.
- 9 Metropolitan Council (parks and trails) - \$14,904,000 for the biennium
- 10 Agriculture and rural development appropriations. Establishes funding levels for fiscal years 2006 (\$37,864,000) and 2007 (\$34,387,000) for the Department of Agriculture, the Board of Animal Health, and the Agricultural Utilization Research Institute.

Department of Agriculture Appropriations.

Subd. 1. Total appropriations. Appropriations amounting to \$37,511,000 and \$34,034,000 for agriculture department activities are from the general fund, with an additional \$353,000 in each year coming from the remediation fund.

Subd. 2. Protection services. The protection services division receives \$10,297,000 each year. \$353,000 in each year is for administrative costs of the voluntary cleanup program.

The waste pesticide account in the agricultural fund is closed out and any balance in it is canceled to the pesticide regulatory account.

Subd. 3. Agricultural marketing and development. Total funding for the Agricultural marketing and development division is \$4,097,000 in each year.

- \$71,000 each year is for the Minnesota grown matching account for Minnesota Grown registration grants.
- \$80,000 each year is for demonstration project grants involving sustainable agriculture.

Subd. 4. Value-added agricultural products. \$18,745,000 in fiscal year 2006 and \$15,268,000 in fiscal year 2007 are for ethanol producer payments. Payments in the two fiscal years are to be disbursed at a payment rate of \$0.13 per gallon (rather than

the statutory rate of \$0.20 per gallon).

Subd. 5. Administration and financial assistance. \$4,725,000 each year is allocated to the Administration and financial assistance division.

- \$1,005,000 each year is for continuation of the dairy profitability and dairy business planning grant programs.
- \$50,000 each year is for the Northern Crops Institute.
- \$19,000 each year is for the Minnesota Livestock Breeders Association.
- \$2,000 each year is for payment adjustments on family farm security act loans. No new loans may be made in fiscal years 2006 or 2007.

Aid payments to county and district agricultural societies and associations must be disbursed not later than July 15 of each year.

- 11 Board of Animal Health. Total general fund appropriations for the work of the board of animal health are \$2,803,000 and \$2,803,000.
- 12 Agricultural Utilization Research Institute. \$1,600,000 each year is appropriated from the general fund to AURI.
- 13 Mineral Payments in FY 2006-07: Minerals management. Mandates that 20% of all mineral lease payments must be credited to the mineral management account in the natural resources fund.
- 14 Minerals management account. Creates the account within the natural resources fund. States that when the account balance is over \$3 million at the end of a fiscal year, the amount exceeding balance must be credited to the permanent school fund and permanent university fund.

Article 5: Economic Development

(Analyst: Elisabeth Long, 296-5052)

Overview

This article makes appropriations for the 2006-2007 biennium to the Department of Employment and Economic Development, the Department of Commerce, the Housing Finance Agency, Explore Minnesota Tourism, the Department of Labor and Industry, the Bureau of Mediation Services, the Workers' Compensation Court of Appeals, the Minnesota Historical Society, the Board of the Arts, the Board of Accountancy, the Board of Architecture, the Board of Barber Examiners, the Public Utilities Commission, and the Board of Electricity.

1. 1 Economic development; appropriations. Appropriates \$186,444,000 in FY 06 and \$186,317,000 in FY 07 (\$372,761,000 for the biennium) for economic development programs. Of this amount,

- \$153,715,000 in FY 06 and \$153,588,000 in FY 07 is from the general fund.

- \$9,020,000 each year is from the workforce development fund.
- \$700,000 each year is from the environmental fund.
- \$1,084,000 each year is from the petroleum tank cleanup fund.
- \$21,750,000 each year is from the workers' compensation fund.
- \$200,000 each year is from the special revenue fund.

2 Employment and economic development.

Subd. 1. Total appropriation. A ppropriates \$54,233,000 each year to DEED (\$44,963,000 each year from the general fund; \$700,000 each year from the remediation fund; and \$8,570,000 each year from the workforce development fund). The following amounts may be spent for each program:

Subd. 2. Business and community development. \$8,604,000 each year (\$7,904,000 from the general fund each year; \$700,000 from the remediation fund each year). Of this amount,

- \$1,203,000 each year is for Minnesota investment fund grants .
- \$150,000 each year is for grants to the Rural Policy and Development Center at Minnesota State University, contingent upon the receipt of matching funds.
- \$100,000 each year (from the general fund) is for a grant to the Metropolitan Economic Development Association for continuing minority business development programs in the metropolitan area.
- \$150,000 each year (from the general fund) is for a grant to WomenVenture for women's business development programs.

Subd. 3. Workforce partnerships. \$15,422,000 each year (\$13,617,000 each year from the general fund; \$1,625,000 each year from the workforce development fund; and \$200,000 each year from the special revenue fund). Of this amount,

- \$6,785,000 each year (from the general fund) is for the Minnesota job skills partnership program . (The appropriation for either year is available for the other year. The appropriation does not cancel.)
- \$250,000 each year (from the general fund) is for a grant to Twin Cities RISE! to provide training to hard-to-train individuals.
- \$875,000 each year (from the workforce development fund) is for Opportunities Industrialization Center programs.
- \$950,000 each year (\$750,000 from the workforce development fund and \$200,000 from the special revenue fund) is for displaced homemaker

programs .

- Article 7, § 2 specifies that \$1,452,000 each year is for youth intervention programs . Of this amount, one percent is for a grant to the Minnesota Youth Intervention Programs Association to provide collaborative training and technical assistance to community-based grantees of the program.
- \$4,190,000 each year are for the Minnesota youth program . Makes \$400,000 in the first year available immediately. Makes the appropriation for either year available in the other year.
- \$183,000 each year are for the learn-to-earn summer youth employment program . Makes this appropriation available until spent.
- \$757,000 each year are for the youthbuild program .

Requires the transfer of the first \$2,000,000 deposited in the contingent account each year are to the workforce development fund upon deposit. Specifies that deposits in excess of \$2,000,000 shall be transferred to the general fund.

Subd. 4. Workforce services. \$27,110,000 each year (\$20,165,000 from the general fund and \$6,945,000 from the workforce development fund). Of this amount,

- \$7,521,000 each year (from the general fund) is for the vocational rehabilitation program for people with significant disabilities, to assist with employment.
- \$11,737,000 each year (\$4,864,000 from the general fund and \$6,920,000 from the workforce development fund) is for extended employment services for persons with severe disabilities or related conditions.
- \$1,690,000 each year (from the general fund) is for grants for the eight centers for independent living . (Money not expended in FY 06 is available in FY 07.)
- \$175,000 each year (\$150,000 from the general fund; \$25,000 from the workforce development fund) is for grants to the Minnesota Employment Center for People Who Are Deaf or Hard-of-Hearing . (Money not expended in FY 06 is available in FY 07.)
- \$1,000,000 each year (from the general fund) is for grants for programs that provide employment support services to persons with mental illness . (Up to \$70,000 each year can be used for administrative expenses.)
- \$4,940,000 each year (from the general fund) is for State Services for the Blind activities.

Subd. 5. State-funded administration. \$3,277,000 each year is for state-funded administration.

3 Explore Minnesota Tourism. Appropriates \$8,626,000 each year to Explore Minnesota Tourism. Makes \$3,500,000 in each year contingent upon the receipt of nonstate matching

funds (up to one half of which may be in kind funds). Gives priority for marketing grants to organizations with year-round tourism activities and to projects that either encompass at least two areas or attract nonresidents. Makes the appropriation for either year available in the other year. Allows the commissioner to use grant dollars or in-kind services to provide the state's contribution to a partnership. Requires unexpended appropriations to be placed in a special advertising account. Specifies that \$165,000 in each year are for the Minnesota Film Board, contingent upon the receipt of \$1 in matching funds for every \$3 of state money.

4 Housing Finance Agency.

Subd. 1. Total appropriation. Appropriates \$35,770,000 each year to the Minnesota Housing Finance Agency (MHFA). Makes this part of the agency's base, unless otherwise noted. Specifies that the appropriation is for transfer to the housing development fund for the following programs. Of this amount, the following amounts may be spent on each program:

Subd. 2. Affordable rental investment fund. \$9,273,000 each year.

- Specifies that the appropriation is to finance the acquisition, rehabilitation, and debt restructuring of (1) federally assisted rental property, and (2) existing supportive housing properties (i.e., affordable rental housing with links to services needed for housing stability). Allows the appropriation to be used for equity take-out loans.
- Requires owners of federally assisted rental property to participate in the applicable federally assisted housing program and to extend low-income affordability restrictions for the maximum term permitted. Also requires owners to give local governments, housing and redevelopment authorities, and nonprofit housing organizations a right of first refusal.
- Gives priority among comparable properties to (1) those with the longest remaining term under a federal rental assistance agreement, and (2) developments owned by a housing and redevelopment authority, local government, or nonprofit housing organization.

Subd. 3. Family homeless prevention. \$3,715,000 each year. Makes any balance in FY 06 available in FY 07.

Subd. 4. Challenge program. \$9,622,000 each year.

Subd. 5. Rental assistance for mentally ill. \$1,638,000 each year.

Subd. 6. Home ownership education, counseling, and training. \$770,000 each year.

Subd. 7. Housing trust fund. \$4,305,000 each year.

Subd. 8. Urban Indian housing program. \$180,000 each year.

Subd. 9. Tribal Indian housing program. \$1,105,000 each year.

Subd. 10. Capacity building grants. \$305,000 each year.

Subd. 11. Housing rehabilitation and accessibility. \$3,972,000 each year.

Subd. 12. Home ownership assistance fund. Makes the budget base for the home ownership assistance fund \$885,000 each year.

5 Commerce.

Subd. 1. Total appropriation. Appropriates \$24,874,000 each year to the Commerce Department (\$22,955,000 from the general fund; \$1,084,000 from the petroleum cleanup fund; \$835,000 from the workers' compensation fund). The amounts that may be spent for each program are specified below.

Subd. 2. Financial examinations. \$5,994,000 each year.

Subd. 3. Petroleum Tank Release Cleanup Board. \$1,084,000 each year (from the petroleum tank cleanup fund).

Subd. 4. Administrative services. \$5,483,000 each year.

Subd. 5. Market assurance. \$5,647,000 each year (\$4,812,000 from the general fund and \$835,000 from the workers' compensation fund).

Subd. 6. Energy and telecommunications. \$4,224,000 each year.

Subd. 7. Weights and measurements. \$2,507,000 each year.

6 Board of accountancy. \$487,000 each year. Combines the administrative functions of the Board of Accountancy and the Board of Architecture, effective the day following final enactment (no later than June 30, 2006). (Both boards would remain intact and retain their status as separate agencies.)

7 Board of Architecture. Appropriates \$785,000 each year to the board of engineering, land surveying, landscape architecture, geoscience, and interior design .

8 Board of barber and cosmetologist examiners. Appropriates \$699,000 each year to the board of barber and cosmetologist examiners. .

9 Public utilities commission. Appropriates \$4,613,000 each year to the public utilities commission.

10 Labor and industry.

Subd. 1. Total appropriation. Appropriates \$22,216,000 each year (\$2,494,000 from the general fund' \$19,272,000 from the workers' compensation fund; \$450,000 from the workforce development fund) to the department of labor and industry. The amounts that may be spent for each program are specified below.

Subd. 2. Workers' compensation. \$10,346,000 each year (from the workers' compensation fund).

Subd. 3. Workplace services. 6,583,000 each year (\$2,494,000 from the general fund,

\$3,639,000 from the workers' compensation fund, and \$450,000 from the workforce development fund).

Subd. 4. General support. \$5,287,000 each year (from the workers' compensation fund).

11 Bureau of mediation services.

Subd. 1. Total appropriation. Appropriates \$1,773,000 each year. The amounts available for each program are as follows.

Subd. 2. Mediation services. \$1,673,000 each year.

Subd. 3. Labor management cooperation grants. \$100,000 each year are for grants to area labor-management committees. Grants may be awarded for a 12-month period beginning July 1 of each year. Makes unencumbered balances in FY 06 available in FY 07.

12 Workers' compensation court of appeals. Appropriates \$1,618,000 in each year (from the workers' compensation fund) to the workers' compensation court of appeals.

13 Minnesota historical society.

Subd. 1. Total appropriation. Appropriates \$22,407,000 in FY 06 and \$22,280,000 in FY 07 to the Minnesota Historical Society (MHS). The amounts available for each program are as follows.

Subd. 2. Education and outreach. \$12,381,000 each year.

Subd. 3. Preservation and access. \$9,772,000 each year.

Subd. 4. Fiscal agent. Specifies that \$254,000 in FY 06 is for pass-through appropriations (\$43,000 for the Minnesota International Center ; \$16,000 for the Minnesota Air National Guard Museum ; \$67,000 for the Minnesota Military Museum ; and \$128,000 for Farmamerica). Specifies that \$127,000 in FY 07 is for pass-through appropriations (\$42,000 for the Minnesota International Center and \$85,000 for Farmamerica). Allows use of the Farmamerica appropriation for operations. Makes any unencumbered balance in FY 06 available in FY 07.

Subd. 5. Fund transfer. Authorizes MHS to reallocate education and outreach and preservation and access funds for any program purposes. Requires MHS's best efforts to avoid closing or substantially limiting public access to historic sites. Requires consultation with groups and individuals who are willing to provide financial or in-kind support.

14 Board of the arts.

Subd. 1. Total appropriation. Appropriates \$8,593,000 each year to the board of the arts. Makes the appropriation for each year available for the other year. The amounts that may be spent for each program are specified below.

Subd. 2. Operations and services. \$404,000 each year.

Subd. 3. Grants programs. \$5,767,000 each year.

Subd. 4. Regional arts councils. \$2,422,000 each year.

- 15 Securities. Deletes language requiring the State Board of Investment to pre-approve a
method selected by the commissioner of commerce for selling abandoned securities.
16 Holding period for securities. Changes the requirements for how long the commissioner of
commerce must hold securities presumed to be abandoned. Provides that if property is of a
type customarily sold on a market or over the counter, the commissioner can sell it without
notice after holding it for one year (except that securities held because of insurance
company demutualization may be sold upon receipt). A proper claimant of stocks
considered abandoned is entitled to either the securities or the net proceeds from the
securities sales (but not appreciations in value after the sale occurred)

Article 6: Transportation and Other Agencies

(Analyst: John Williams, 296-5045)

Overview

This article appropriates \$3.9 billion to the Department of Transportation, Metropolitan Council transit, and administration and transportation-related activities of the Department of Public Safety in the 2006-2007 biennium. It also raises driver license and other fees charged by the Department of Public Safety and deputy motor vehicle registrars, and transfers funding of driver and vehicle service functions in the Department of Public Safety from the trunk highway fund and highway user tax distribution fund to newly-established operating accounts in the special revenue fund.

1. 1 Total appropriation.
- 2 Transportation. Appropriates \$1.668 billion in FY 2006 and \$1.799 billion in FY 2007 to the Department of Transportation.

Subd. 1. Total appropriation.

Subd. 2. Multi-modal systems. Makes appropriations for airport development and assistance available for five years after appropriation. Cancels \$1.9 million of the appropriation for airport development and assistance for FY 2004-2005, effective immediately.

Subd. 3. State roads. Provides for specific amounts for metropolitan area and greater Minnesota planning grants. Provides for a research contingent account for research that is paid from federal or other sources by reimbursement. Authorizes transfer of up to \$15 million each year to the transportation revolving loan fund.

Subd. 4. Local roads. Allows for expenditure of unappropriated balances in the county state-aid highway fund and municipal state-aid street funds, after notice to legislative committees.

Subd. 5. General support and services.

Subd. 6. Transfers. Allows transfers among appropriations from trunk highway fund

and state airports fund, but not between funds. Provides for transfers from the flexible account in the county state-aid highway fund to the county and municipal turnback accounts and to the trunk highway fund.

Subd. 7. Use of state road construction appropriation. Allows expenditure of prior appropriations for state road construction.

Subd. 8. Contingent. Allows expenditure of unappropriated balance in trunk highway fund, with legislative advisory commission review, for trunk highway construction, emergency maintenance, and tort or environmental claims.

3 Metropolitan council . Appropriates \$57.5 million in FY 2006 and \$58.753 million in FY 2007 for bus and light rail transit.

Provides that the \$4.05 million in 2006 and \$5.3 million in 2007 are intended to pay 50 percent of Hiawatha LRT operations after operating revenue (fares) and federal funds. Requires the remainder to be provided up to those amounts from the Hennepin county regional rail authority, using county tax revenues, the authority's reserves, or taxes levied by the authority.

4 Public safety. Appropriates \$160.454 million in 2006 and \$158.834 million in 2007 for public safety administration and transportation-related divisions

Subd. 1. Total appropriation.

Subd. 2. Administration. Specifies transfer of \$375,000 the first year and \$380,000 the second year for public safety officer survivor benefit reimbursements. Specifies transfer of \$314,000 each year for continued health insurance coverage for public safety officers or their survivors. Specifies \$508,000 each year for soft body armor reimbursements. Makes transfers to the trunk highway fund and highway user tax distribution fund to reimburse them for non-highway expenditures. Transfers \$716,000 each year from the highway user tax distribution fund to the general fund for criminal justice data network costs relating to drivers and vehicles.

Subd. 3. State patrol. Specifies \$3.7 million the first year for adding patrol positions. Provides that if money transferred to the trunk highway fund from revenues from the 2 a.m. bar permit are less than this amount the department must make up the difference by transferring federal repeat offender money to the trunk highway fund.

Prohibits:

- spending any money from the trunk highway fund for capital security
- permanently transferring state troopers from patrolling highways to capital security
- transferring any money appropriated for DPS administration, patrolling highways, commercial vehicle enforcement, or driver and vehicle services to capital security
- transferring any money from capital security.

Subd. 4. Driver and vehicle services. Transfer most funding of this activity from the

trunk highway fund to the driver services operating account and vehicle services operating account in the special revenue fund.

Subd. 5. Traffic safety. Allows the department to spend half of money available to the state under federal repeat offender program and transfer the other half to MnDOT for hazard elimination activities.

Subd. 6. Pipeline safety.

- 5 General contingent accounts. Provides for contingent accounts in the trunk highway, state airports, and highway user tax distribution funds.
- 6 Tort claims. To the commissioner of finance.
- 7 Deposit of registration tax revenue. Provides that proceeds of motor vehicle registration fees (not taxes) will be deposited in the vehicle services operating account in the special revenue fund rather than the highway user tax distribution fund.
- 8 Amateur radio plates. Makes technical changes in the law governing issuance of amateur radio licensee plates.
- 9 Personalized plates. Makes technical changes in the law governing issuance of personalized plates.
- 10 Firefighter plates. Makes technical changes in the law governing issuance of firefighter plates. Deletes requirement that fees be deposited in the highway user tax distribution fund.
- 11 National Guard plates. Makes technical changes in the law governing issuance of National Guard plates. Deletes requirement that fees be deposited in the highway user tax distribution fund.
- 12 Ready Reserve plates. Makes technical changes in the law governing issuance of Ready Reserve plates. Deletes requirement that fees be deposited in the highway user tax distribution fund.
- 13 Volunteer ambulance attendant plates. Makes technical changes in the law governing issuance of volunteer ambulance attendant plates. Deletes requirement that fees be deposited in the highway user tax distribution fund.
- 14 Plate fees. Makes technical changes in law establishing plate fees. Deletes requirement that fees be deposited in the highway user tax distribution fund.
- 15 Fees credited. Deletes requirement that fees collected for special "proud to be a veteran" plates be deposited in the highway user tax distribution fund.
- 16 Fleet registration fees. Makes technical corrections. Deletes provisions requiring fleet registration administrative fees be paid in the highway user tax distribution fund.
- 17 Collegiate plate fees. Provides for deposit of plate fees for special collegiate plates in the vehicle services operating account.
- 18 Application fee. Provides for deposit of fee for application for approval of special plate legislation be deposited in the vehicle services operating account rather than the highway user tax distribution fund.
- 19 Critical habitat plate fees. Provides for deposit of plate fees for special critical habitat plates in the vehicle services operating account.
- 20 Dealer licenses. Makes technical changes in the law governing vehicle dealer licenses. Deletes requirement that the department must investigate the fitness of an applicant before issuing a motor vehicle dealer's license. Increases fee for initial application for dealer's license from \$50 to \$100. Increases the annual license fee from \$100 to \$150. Allocates the additional \$50 from each increase to the vehicle services account.
- 21 Expedited service fee. Allows an applicant for a driver's license, instruction permit, Minnesota ID card, or title transaction to pay an expedited service fee of \$20 to obtain expedited service. Allows a driver' license agent or deputy motor vehicle registrar to retain

\$10 of the fee. Requires the department to deliver the requested materials within three days of receipt of the fee excluding weekends and holidays. Allows the department to refuse the fee when three-day service cannot be granted. Requires the fee for driver's licenses, instruction permits, and ID cards to be paid into the driver services account in the special revenue fund. Requires the fee for title transfers to be deposited in the vehicle services account.

22 Driver and vehicle record fees. Provides for fees for the department to provide copies of records.

Subd. 1. Records and fees. Requires the department to furnish copies of any driver license record, learner's permit record, ID card record, vehicle registration record, title record, or accident record. Requires a \$10 fee for each such record that is certified and \$9 for each uncertified record, excluding accident records governed by section 28. Adds \$1 fee per page for each vehicle title history not in electronic format.

Requires the fee for driver's license, instruction permit, and ID card copies to be paid into the driver services account in the special revenue fund, and the fee for title transfer copies to be deposited in the vehicle services account, except that 50 cents of each fee is deposited in the general fund.

Allows persons to inquire into record using their own electronic means for a \$4.50 fee, or no fee is the inquirer is the subject of the record, with \$2.70 of the fee going into the general fund and the remainder going into the driver services account or vehicle services account, depending on the record.

Subd. 2. Exceptions. Prohibits charging a fee or surcharge for request for vehicle registration information if the department is satisfied that the request is made on behalf of a nonprofit community organization authorized to make the request by a law enforcement agency, and the request is needed to identify suspected violators of prostitution or drug laws or health codes. Prohibits department from requiring such requesters to make minimum number of data requests of limiting them to maximum number.

23 Deputy registrars. Increases from \$7 to \$8.50 the filing fee for vehicle transactions other than registration renewals. Requires all filing fees for registration renewals to be deposited in vehicle services account. Requires all other filing fees to be divided \$3.50 to the general fund and \$5 to the vehicle services account.

24 Cost of plates. Eliminates the standing appropriation from the highway user tax distribution fund to the Department of Public Safety for license plate costs.

25 Inspection fee. Increases from \$20 to \$35 the fee for inspecting a vehicle prior to issuing a certificate of title. Provides that the first \$20 of the fee will continue to go to the general fund. Allocates the remainder to the vehicle services account.

26 Title filing fees. Increases from \$3 to \$5.50 the fees for applying for an original title and issuance of a new title after a transfer of ownership. The original \$3 fee will continue to go to the general fund, and the \$2.50 increase will go to the vehicle services account.

Increases from \$4 to \$6.50 the fee for a duplicate title. The original \$3 fee will continue to go to the general fund, and the \$2.50 increase will go to the vehicle services account.

27 Disposition of fees. Changes the open and standing appropriation to the department for administration of title law from the transfer of ownership revolving fund to the vehicle

services account.

- 28 Confidentiality of accident reports. Specifies that accident reports may not be used as evidence in any action for damages or criminal proceedings in addition to current law that makes reports inadmissible in civil and criminal trials.

Allocates the \$5 fee for copies of accident reports \$4.50 to the driver services account and 50 cents to the general fund. Makes 50-cent fee for commercial users who request access to response or incident data mandatory rather than optional with the department. Allocates 45 cents of the fee to the driver services account and 5 cents to the general fund.

Makes furnishing of electronic copies of the department's accident records database subject to general provisions in Data Practices Act relating that allow for reasonable fees for the information in addition to copying charges. Requires the database to not contain any personal or private data on individuals.

- 29 License plate reinstatement fees. Re-directs from the highway user tax distribution fund to the vehicle services account half of fees from sale or reinstatement of plates under law that allows for impoundments of plates after alcohol-related violation. The remaining half will continue to go to the general fund.

- 30 Driver license fees. Increases driver license and related fees:

Class D license, \$18.50 to \$21.50

Class C license, \$22.50 to \$25.50

Class B license, \$29.50 to \$32.50

Class A license, \$37.50 to \$40.50

(Same changes for classified under-21 licenses, except class A under-21 license increased from \$17.50 to \$20.50)

Provisional license, \$9.50 to \$12.50

Duplicate license, \$8 to \$11

Minnesota ID card, \$12.50 to \$15.50

- 31 Motorcycle endorsement fee. Changes the allocation of revenue from the part of the surcharge on motorcycle endorsements on driver's licenses. The surcharge is \$18.50 on initial licenses and \$13 on renewals; the portion affected by this section is \$11 of the surcharge on initial licenses and \$7 of the surcharge on renewals.

This section would re-direct 90 percent of surcharge receipts that exceed \$750,000 each year from the trunk highway fund to the motorcycle safety fund. The remaining 10 percent would continue to go to the general fund. The first \$750,000 in receipts would continue to go to the motorcycle safety fund.

Receipts from the remainder of the surcharge (\$7.50 on initial licenses, \$6 on renewals) would continue to go to the general fund.

- 32 Driver license agent fee. Increases from \$3.50 to \$5 the fee charged by driver license agents for receiving applications.

- 33 Standby or temporary custodian designation. Redirects from the trunk highway fund to the driver services account amounts received over \$61,000 each year from fees for placing standby or temporary custodian designation on driver's licenses. The first \$61,000 will continue to go the general fund.
- 34 Initial motorcycle endorsement fee. Re-directs from the trunk highway fund to the driver services account \$2.50 of the initial examination and application fee for a motorcycle endorsement. The remainder will continue to go to the general fund.
- 35 Repeat examination fee. Requires a fee of \$10 for third and subsequent written driver license exam for persons who failed the first two. Requires a \$20 fee for third and subsequent behind-the-wheel exam for persons who failed the first two. Allocates all such fees to the driver services account.
- 36 Money credited. Redirects all money collected under driver license law from the trunk highway fund to the driver services account except as otherwise provided.
- 37 Reinstatement fee. Redirects from the trunk highway fund to the driver services account \$50 of the \$680 fee for reinstatement of driver's license after alcohol-related revocation.
- 38 Driving school license fees. Redirects driving school license fees from the trunk highway fund to the driver services account.
- 39 Accounts. Creates a vehicle services operating account in the special revenue fund and allows money in the account to be used by the commissioner of public safety for costs of:

- vehicle registration
- vehicle licensing and license plates
- vehicle titling
- maintaining vehicle records
- issuing disability certificates and plates
- licensing vehicle dealers
- appointing and supervising deputy registrars
- inspecting vehicles when required

Creates a driver services operating account in the special revenue fund and allows money in the account to be used by the commissioner for costs of:

- producing and mailing licenses
- producing and mailing notices
- testing and examination of drivers
- driver and traffic safety activities

- 40 Repealer. Repeals the following:

- Laws allocating money to the highway user tax distribution fund that is redirected under this article
- Obsolete laws

Instructs the revisor to correct cross-references in Minnesota Statutes, renumber statutes, and correct Minnesota Rules.

Article 7: Appropriations (Health and Human Services)

(Analyst: Janelle Taylor, 296-5808)

Overview

This article appropriates money to the Departments of Health and Human Services, and to the Veterans Nursing Home Board, health related boards, Emergency Medical Services Board, Council on Disability, Ombudsman for Mental Health and Mental Retardation, and the Ombudsman for Families.

1. 1 Health and human services appropriations. Provides that the sums shown in the columns marked "APPROPRIATIONS" are appropriated from the general fund, or any other named fund, to the agencies and for the purposes specified in the sections of this article, to be available for the fiscal years indicated for each purpose. Specifies that appropriations are available for the fiscal years ending June 30, 2006, and June 30, 2007. Provides a summary of appropriations by fund.
- 2 Commissioner of human services.

Subd. 1. Total appropriation. Provides the total appropriation for the commissioner of human services.

- Receipts for systems projects. Requires appropriations and federal receipts for information system projects for MAXIS, PRISM, MMIS, and SSIS to be deposited in the state system account. Allows money appropriated for computer projects to be transferred from one project to another and from development to operations, as the commissioner considers necessary. Provides that any unexpended balance in the appropriation for these projects does not cancel but is available for ongoing development and operations.
- Systems continuity. Allows the commissioner to use available grant appropriations, in the event of disruption of technical systems or computer operations, to ensure continuity of payments for maintaining the health, safety, and well being of clients served by programs administered by the Department of Human Services. Requires grant funds to be used consistent with the original intent of the appropriation.
- Nonfederal share transfers. Allows the nonfederal share of activities for which federal administrative reimbursement is appropriated to the commissioner to be transferred to the special revenue fund.

- TANF funds appropriated to other entities. Requires expenditures from the TANF block grant to be expended in accordance with federal laws. Requires the commissioner to ensure that funds are expended in compliance with the requirements and limitations of federal law and that any reporting requirements of federal law are met. Requires entities to which these funds are appropriated to implement a memorandum of understanding with the commissioner that provides the necessary assurance of compliance prior to any expenditure of funds. Requires the commissioner to coordinate all interagency accounting transactions necessary to implement the TANF appropriations. Requires that any unexpended TANF funds cancel at the end of the state fiscal year unless appropriating or statutory language permits otherwise.
- TANF maintenance of effort. (a) Limits the commissioner to only reporting nonfederal money expended for allowable activities as TANF/MOE expenditures. Lists the allowable activities. (b) Requires the commissioner to ensure that sufficient qualified nonfederal expenditures are made each year to meet Minnesota's TANF/MOE requirements. Specifies the expenditures the commissioner may report. (c) Beginning in fiscal year 2003, requires the commissioner to assure that the MOE used by the commissioner of finance for the February and November forecasts contain certain expenditures that are equal to at least 25 percent of the total required by federal law. (d) Clarifies that grants or aids funded with TANF may not be used to reduce any direct appropriations provided by law. (e) Paragraph (a), clauses (1) to (6), and paragraphs (b) to (d) of this section expire June 30, 2009.
- Working family credit expenditures as TANF/MOE. Allows the commissioner to claim as TANF/MOE up to specified amounts of working family credit expenditures for specified years.
- Gifts. Allows the commissioner to accept, on behalf of the state, additional funding from sources other than state funds for the purpose of financing the cost of assistance programs or nongrant administration. Provides that all additional funding is appropriated to the commissioner for use as designated by the grantor of funding.
- Capitation rate increase. Specifies how certain health care access fund appropriations to the University of Minnesota are to be used.

Subd. 2. Agency management. Appropriates money for agency management purposes.

Subd. 3. Revenue and pass-through expenditures. Appropriates money for revenue and pass-through expenditures.

Subd. 4. Economic support grants. Appropriates money for children and economic assistance grant programs including MFIP, support services grants, MFIP child care assistance grants, child care development grants, child support enforcement grants, children's services grants, children and community services grants, general assistance

grants, Minnesota supplemental aid grants, group residential housing grants, and other children and economic assistance grants.

- Base adjustment for adoption assistance grants. Increases the base appropriations for fiscal years 2008 and 2009 for adoption assistance grants.
- Base adjustment for relative custody assistance grants. Increases the general fund base in fiscal years 2008 and 2009 for relative custody assistance grants.
- Adoption assistance and relative custody assistance. Allows the commissioner to transfer unencumbered appropriation balances for adoption assistance and relative custody assistance between fiscal years and programs.
- Privatized adoption grants. Appropriates federal reimbursement for privatized adoption grant and foster care recruitment grant expenditures to the commissioner for adoption grants and foster care and adoption administrative purposes.
- Delay projects of regional significance. Delays the projects of regional significance grant program until July 1, 2007. Specifies the general fund base for the program in fiscal years 2008 and 2009.
- General assistance standard. Requires the commissioner to set the monthly standard of assistance for GA units consisting of one adult recipient who is childless and unmarried or living apart from parents or a legal guardian at \$203. Allows the commissioner to reduce this amount.
- Emergency general assistance. Limits the amount appropriated for emergency general assistance in fiscal years 2006 and 2007. Specifies how funds shall be allocated to counties.
- Emergency Minnesota supplemental aid funds. Limits the amount appropriated for emergency Minnesota supplemental aid in fiscal years 2006 and 2007. Specifies how funds shall be allocated to counties.

Subd. 5. Children and economic assistance management. Appropriates money for children and economic assistance management.

- Spending authority for food stamps bonus awards. Appropriates any United States Department of Agriculture Food and Nutrition Services Food Stamp Program performance bonus awards to the commissioner beginning in federal fiscal year 2004. Requires the commissioner to retain 25 percent of the funding, with the other 75 percent divided among the counties according to a specified formula.
- Child support payment center. Requires payments to the commissioner from other specified entities to be deposited into a specified account. Appropriates these payments to the commissioner for the operation of the child support

payment center or system.

- Child support cost recovery fees. Requires the commissioner to transfer a specified amount of child support cost recovery fees collected in fiscal years 2006 and 2007 to the PRISM special revenue account to offset PRISM system costs of maintaining the fee.
- Financial institution data match and payment of fees. Authorizes the commissioner to allocate up to a certain amount each year in fiscal years 2006 and 2007 from the PRISM special revenue account to make payments to financial institutions in exchange for performing data matches between account information held by financial institutions and the public authority's database of child support obligors.

Subd. 6. Basic health care grants. Appropriates money for basic health care grant programs including MinnesotaCare grants, MA basic health care - families and children, MA basic health care - elderly and disabled, GAMC, prescription drug program grants, and health care grants.

- Updating federal poverty guidelines. Makes annual updates of the federal poverty guidelines effective each July 1, following publication by the U.S. Department of Health and Human Services for state health care programs.
- MinnesotaCare federal receipts. Requires receipts received as a result of federal participation pertaining to administrative costs of the Minnesota health care reform waiver to be deposited as nondedicated revenue in the health care access fund. Requires receipts received as a result of federal participation pertaining to grants to be deposited in the federal fund and requires that these funds offset health care access funds for payments to providers.
- MinnesotaCare funding. Allows the commissioner to expend money appropriated from the health care access fund for MinnesotaCare in either fiscal year of the biennium.
- PDP to Medicare Part D transition. Allows the commissioner to transfer fiscal year 2006 appropriations between the MA program and the prescription drug program.

Subd. 7. Health care management. Appropriates money for health care management.

- MinnesotaCare outreach reimbursement. Appropriates federal administrative reimbursement resulting from MinnesotaCare outreach to the commissioner for this activity.
- Minnesota senior health options reimbursement. Appropriates federal administrative reimbursement resulting from the Minnesota senior health options project to the commissioner for this activity.
- Utilization review. Dedicates federal administrative reimbursement resulting

from specified activities to the commissioner for these purposes. Requires that a portion of these funds be used for activities to decrease unnecessary pharmaceutical costs in MA.

Subd. 8. Continuing care grants. Appropriates money for continuing care grants including aging and adult services grants, alternative care grants, medical assistance grants, mental health grants, deaf and hard-of-hearing grants, chemical dependency grants, and other continuing care grants.

- Alternative care transfer. Transfers any money allocated to the alternative care program but not spent for the purposes indicated to the MA account.
- Limiting growth in MR/RC waiver. Limits the new diversion caseload growth in the MR/RC waiver to 50 additional allocations for each year of the biennium ending June 30, 2007. Specifies how the diversion allocations shall be awarded.
- Restructuring of adult mental health services. Allows the commissioner to make transfers that do not increase the state share of costs to effectively implement the restructuring of adult mental health services.

Subd. 9. Continuing care management. Appropriates money for continuing care management.

Subd. 10. State-operated services. Appropriates money for state-operated services.

- Transfer authority related to state-operated services. Allows money appropriated to finance state-operated services programs and administrative services to be transferred between fiscal years of the biennium with the approval of the commissioner of finance.
- Appropriation limitation. Prohibits appropriations for mental health treatment services at regional treatment centers from being used for the Minnesota sex offender program.

1. 3 Commissioner of health.

Subd. 1. Total appropriation. Provides the total appropriation for the commissioner of health.

- TANF appropriations. (a) Appropriates a specified amount of TANF funds each year to the commissioner for home visiting and nutritional services. Specifies how funding is distributed to community health boards and tribal governments. (b) Appropriates a specified amount of TANF funds each year to the commissioner for decreasing racial and ethnic disparities in infant mortality rates.

Subd. 2. Community and family health promotion. Appropriates money for

community and family health promotion.

Subd. 3. Policy quality and compliance. Appropriates money for policy quality and compliance.

Subd. 4. Health protection. Appropriates money for health protection.

Subd. 5. Minority and multicultural health. Appropriates money for minority and multicultural health.

Subd. 6. Administrative support services. Appropriates money for administrative support services.

2. 4 Veterans Nursing Home Board. Appropriates general funds for the Veterans Nursing Home Board.

3. 5 Health-related boards.

Subd. 1. Total appropriation. Appropriates state government special revenue funds to the health-related boards.

- State government special revenue fund. Appropriates funds in this section from the state government special revenue fund, except where noted.
- No spending in excess of revenues. Prohibits the commissioner of finance from permitting the allotment, encumbrance, or expenditure of money appropriated in this section in excess of the anticipated biennial revenues or accumulated surplus revenues from fees collected by the boards. This provision does not apply to transfers from the general contingent account.
- Health professional services activity. Appropriates a specified amount in each year of the biennium from the state government special revenue fund for health professional services activity.

Subd. 2. Board of Behavioral Health and Therapy. Appropriates money to the Board of Behavioral Health and Therapy.

Subd. 3. Board of Chiropractic Examiners. Appropriates money to the Board of Chiropractic Examiners.

Subd. 4. Board of Dentistry. Appropriates money to the Board of Dentistry.

Subd. 5. Board of Dietetic and Nutrition Practice. Appropriates money to the Board of Dietetic and Nutrition Practice.

Subd. 6. Board of Marriage and Family Therapy. Appropriates money to the Board of Marriage and Family Therapy.

Subd. 7. Board of Medical Practice. Appropriates money to the Board of Medical Practice.

Subd. 8. Board of Nursing. Appropriates money to the Board of Nursing.

Subd. 9. Board of Nursing Home Administrators. Appropriates money to the Board of Nursing Home Administrators.

- Administrative Services Unit. Designates a specified amount of the appropriation for the health boards administrative services unit. Allows the administrative services unit to receive and expend reimbursements for services performed for other agencies.

Subd. 10. Board of Optometry. Appropriates money to the Board of Optometry.

Subd. 11. Board of Pharmacy. Appropriates money to the Board of Pharmacy.

Subd. 12. Board of Physical Therapy. Appropriates money to the Board of Physical Therapy.

Subd. 13. Board of Podiatry. Appropriates money to the Board of Podiatry.

Subd. 14. Board of Psychology. Appropriates money to the Board of Psychology.

Subd. 15. Board of Social Work. Appropriates money to the Board of Social Work.

Subd. 16. Board of Veterinary Medicine. Appropriates money to the Board of Veterinary Medicine.

4. 6 Emergency Medical Services Board.

Subd. 1. Total appropriation. Provides the total appropriation for the Emergency Medical Services Board.

5. 7 Council on Disability. Appropriates money for the Council on Disability.

6. 8 Ombudsman for Mental Health and Mental Retardation. Appropriates money for the Ombudsman for Mental Health and Mental Retardation.

7. 9 Ombudsman for Families. Appropriates money for the Ombudsman for Families.

8. 10 Transfers.

Subd. 1. Grants. Allows the commissioner of human services to transfer unencumbered appropriation balances for the biennium ending June 30, 2007, within fiscal years among the MFIP, GA, MA, MFIP child care assistance, MSA, and GRH programs, and the entitlement portion of the chemical dependency consolidated treatment fund, and between fiscal years of the biennium.

Subd. 2. Administration. Allows positions, salary money, and nonsalary administrative money to be transferred within the departments of Human Services and Health and within the programs operated by the Veterans Nursing Home Board as the commissioners and the board consider necessary. Requires the commissioner or the board to inform the chairs of the relevant house and senate health committees

quarterly about transfers made under this provision.

Subd. 3. Prohibited transfers. Prohibits grant money from being transferred to operations within the Departments of Human Services and Health and within the programs operated by the Veterans Nursing Home Board without legislative approval.

9. 11 Indirect costs not to fund programs. Prohibits the commissioners of health and human services from using indirect cost allocations to pay for the operational costs of any program for which they are responsible.
10. 12 Sunset of uncodified language. Makes all uncodified language contained in this article expire on June 30, 2007, unless a different expiration date is explicit.
11. 13 Effective date. Makes the provisions in this article effective July 1, 2005, unless a different effective date is specified.

Article 8: Human Services Policy

(Analyst: Randall Chun, 296-8639)

Overview

This article prohibits MA coverage of prescription drugs covered under Medicare Part D, eliminates the prescription drug program and makes conforming changes, and eliminates funding for projects of regional significance for fiscal years 2006 and 2007.

1. 1 Prescription drug assistance. Amends § 256.975, subd. 9. Deletes a reference to the enrollment of individuals referred to the prescription drug assistance program from the prescription drug program. This is a conforming change related to the repeal of the prescription drug program in section 5.
2. 2 Drugs. Amends § 256B.0625, subd. 13. Effective January 1, 2006, prohibits MA coverage of drugs that can be covered under Medicare Part D, for individuals eligible for drug coverage under that program. Allows MA coverage of drugs from drug classes listed in federal law for which Medicaid programs can exclude or restrict coverage.
3. 3 Definitions. Amends § 256B.0911, subd. 1a. Eliminates a reference to the prescription drug program. This is a conforming change related to repeal of the program in section 5.
4. 4 Project of regional significance; study. Amends § 256M.40, subd. 2. Eliminates the requirement that the commissioner of finance, in preparing the budget for fiscal years 2006 and 2007, include \$25 million in each fiscal year for projects of regional significance.
5. 5 Repealer. Repeals § 256.955 (prescription drug program), effective January 1, 2006.