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# **A Glossary of Fiscal Terms & Acronyms**

(updated November 2022)

This glossary is a resource document containing terms and acronyms commonly used by and in legislative fiscal committees, and in the discussion of state budget and tax issues. The first section contains terms and abbreviations used in broadly in fiscal committees. The remaining sections contain terms for particular budget subject areas.

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The webpage has fiscal staff publications from recent years as well as spreadsheets for the major finance bills for past years.

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# GLOSSARY OF FISCAL TERMS AND ACRONYMS

## General Budget

Term	Subject	Description/Definition
<b>Appropriation</b>	General	Authorization by the Legislature to spend money from the state treasury for purposes established in law. Appropriation language typically states: "\$XXX is appropriated in fiscal year 2023 from the General Fund to a state agency for a certain purpose." The Minnesota Constitution prohibits payment of money out of the treasury unless authorized by an appropriation.
<b>Allotment</b>	General	Administratively placed limits on the amount to be spent or encumbered for a legislatively-authorized purpose. Agencies develop a spending plan based on appropriations; then money is allotted for each expenditure. In the accounting system, allotments act as a control, prohibiting spending beyond the established limits.
<b>Annualization</b>	General	The practice of adjusting spending totals to determine the annual costs of programs that were funded for only a portion of the previous year. For example, the annualized cost of a program that cost \$500,000 for six months of operation is \$1,000,000.
<b>ACFR – Annual Comprehensive Financial Report</b>	General	A report, issued by Minnesota Management and Budget, that includes all the state's financial statements and disclosures consistent with generally accepted government accounting principles. The ACFR is required by Minnesota Statutes, section 16A.50.
<b>Balanced Budget</b>	General	The constitution authorizes borrowing for cash flow purposes within a biennium only (Article XI, section 6). The effect of this limit is that in any given biennium, the state's General Fund biennial budget must be balanced—that is revenues and any balance carried forward from a previous biennium must be greater than or equal to expenditures and transfers out.
<b>Base</b>	General	The base level of an appropriation for a budget period is defined in law (M.S. § 16A.11, subd. 3, para. (b)) as the amount appropriated for the program in the second year of the previous biennium. (For example, the base for FY 2020 is the amount appropriated for FY 2019.) A different base may be specified in law.
<b>Base Adjustment</b>	General	Adjustments to the base budget allowed by statute (M.S. § 16A.11, subd. 3.) Base adjustments may remove one time

Term	Subject	Description/Definition
		appropriations, implement changes directed in law, or adjust for other technical items such as the transfer of a program from one agency to another. (See also <i>Forecast Changes</i> .)
<b>Biennial Budget Documents</b>	General	Budget documents contain narrative and fiscal information at the budget activity level for each state agency. Minnesota Statutes, section 16A.11 requires the Governor to submit a budget message and detailed operating budget recommendations by the fourth Tuesday in January in odd-numbered years. (However, in the year following the election of a new Governor, the budget recommendations must be submitted by the third Tuesday in February.) Minnesota Management & Budget is required to submit the final budget format, agency plans and budget estimates to the Legislature by November 30 of the year prior to release of the Governor's budget. MMB is also required to seek the involvement of the Legislature in developing budget forms and instructions, and in designing the budget document format. (M.S. § 16A.10)
<b>Biennium</b>	General	Minnesota has a two year (biennial) budget period. For example, the FY 2024-25 biennium begins at 12:01 am on July 1, 2023, and ends at midnight June 30, 2025. The Legislature appropriates the major portion of the biennial budget in the odd-numbered year session, and makes adjustments as needed during the even-numbered years.
<b>BPAS – Budget Planning and Analysis System</b>	General	The information system managed by Minnesota Management and Budget to prepare budget documents and provide budget information.
<b>Budget</b>	General	The plan or authorization for revenues and expenditures in a fixed period of time. State law (M.S. § 16A.11, subd. 2) requires the Governor to present a balanced budget to the Legislature for consideration in January of each odd numbered year. The budget is submitted in three parts: (1) the Governor's budget message, including a summary and the Governor's recommendation on state financial policy; (2) the detailed operating budget; and (3) the detailed capital budget.
<b>Budget Reserve or Rainy Day Fund</b>	General	State law establishes a Budget Reserve separate from a Cash Flow Account (M.S. § 16A.152). The Reserve is like a savings account and serves as a hedge against an economic downturn. Amounts in the budget reserve must be spent prior to any unallotment, but only after consultation with the Legislative Advisory Commission. MMB is required to make a recommendation on September 30 of each year on an adequate budget reserve. In 2022, MMB recommended a reserve equal to 4.8 percent of General Fund revenue.

Term	Subject	Description/Definition
<b>Budget Resolution</b>	General	The <i>Permanent Rules of the House</i> (4.03) require the House Ways and Means Committee to adopt a resolution which sets maximum limits on General Fund expenditures and establishes the amount of the Budget Reserve and Cash Flow accounts. This must occur within the 25 days following the release of a General Fund budget forecast during the legislative session in an odd-numbered year. The Ways and Means Committee uses the resolution to reconcile finance and revenue bills to ensure that the budget limits are not exceeded. The resolution may be amended.
<b>Budgetary Balance</b>	General	The amount of money left on the bottom line of the General Fund balance for a biennium considering projected revenue and expenditures and money set aside for reserves.
<b>Cancellations</b>	General	Money appropriated but unspent and unencumbered at the end of a biennium or end of the period of time for which the appropriation was made. Such amounts are cancelled to or added back to the fund from which they were appropriated.
<b>Carryforward</b>	General	Unspent money from one year available for use in the following year. Upon the approval from Minnesota Management & Budget, agencies may carry forward unspent and unencumbered non-grant operating balances from the first year of the biennium to the second. (M.S. § 16A.28) The Legislature may spend its appropriation for all or part of a biennium in either year of the biennium. The Courts and Constitutional Officers may spend appropriations in either year of the biennium if funds are insufficient in the other year.
<b>Cash Flow</b>	General	A measure of the timing of incoming revenue and outgoing spending. A budget may be balanced but cash flow may be negative if spending occurs before revenue comes in.
<b>Cash Flow Account</b>	General	State spending is not constant across the fiscal year, but rather has peaks and valleys based on patterns of receipts and expenditures. A <i>Cash Flow Account</i> (separate from the Budget Reserve) is established, as an amount specified by law, to help to avoid short-term borrowing during cash low points. (M.S. § 16A.152, subd. 1)
<b>Change Request or Change Item</b>	General	The term used for Executive Branch requests for budget changes from base levels.
<b>Claims</b>	General	The disposition of certain claims against state agencies or employees are determined by the Legislature. These claims are reviewed by a joint House-Senate subcommittee and then considered as a bill by the House and Senate.

Term	Subject	Description/Definition
<b>Complement</b>	General	Total number of employees. Information on full time equivalent (FTE) positions in agencies must be included in the biennial budget documents.
<b>Consolidated Fund Statement (CFS)</b>	General	A summary of revenues, expenditures, reserves and year-end balances for all the state's operating funds including the General Fund. Consolidated fund statements are issued by Minnesota Management & Budget at the time of a budget forecast and following a legislative session.
<b>Contingency Funds</b>	General	Appropriation(s) that may be spent by the Governor to meet emergencies when the Legislature is not in session but with the advice of the Legislative Advisory Committee. In a typical biennium, about \$1 to 2 million in total is available for the contingency accounts from the General Fund, the State Government Special Revenue Fund, and the Workers Compensation Fund.
<b>CPI-U Consumer Price Index – Urban</b>	General	A measure of inflation intended to capture the increased prices facing consumers for a fixed market basket of services and goods, including food, housing, transportation, clothing, medical care, and entertainment. CPI figures are released by the U.S. Department of Labor, Bureau of Labor Statistics ( <a href="http://www.bls.gov/cpi/">http://www.bls.gov/cpi/</a> .)
<b>Debt Service Fund</b>	General	The fund used to make principal and interest payments on the state's general obligation bonds.
<b>Debt Capacity Forecast</b>	General	Each year in February and November, the Commissioner of Management and Budget must prepare a forecast on the state's indebtedness (M.S. § 16A.105). The forecast must include information on long-term general obligation debt including the actual debt service paid from the General Fund for the past two fiscal years and estimated debt service for the current fiscal year and the next six fiscal years. In addition, the report must note the amount of debt authorized and unissued and the borrowing capacity for the next six fiscal years. The borrowing capacity is based on the state's debt management guidelines, which are typically discussed briefly in the forecast.
<b>Dedicated Revenues or Expenditures</b>	General	Money raised and earmarked to be spent for specific purposes.
<b>Departmental Earnings</b>	General	Money collected by state agencies through service user fees, occupational license charges, regulatory charges, and other charges. In general, these fees are to be set at a level that "neither significantly over recovers nor under recovers costs,



Term	Subject	Description/Definition
		including overhead costs, involved in providing the services.” (M.S. § 16A.1285, subd. 2)
<b>Direct Appropriation</b>	General	An appropriation for a specific amount of money, for use only during a specific time period. Most appropriations in omnibus bills are direct appropriations. Appropriations are usually for each year of the biennium; however, legislation occasionally makes single year appropriations available either year of the biennium.
<b>Earmark</b>	General	To dedicate in law a revenue stream for a specific purpose or expenditure; a dedicated revenue.
<b>Encumbrance</b>	General	Commitment of money to meet an obligation that is expected to be incurred to pay for goods or services received by the state, or to pay a grant. Encumbrance is the accounting control device that agencies use to reserve portions of their allotments for expenditures that will soon be incurred. Agencies must encumber money before they can spend it, providing a system to keep track of outstanding obligations.
<b>Enterprise Funds</b>	General	Funds that provide money for services to the general public through programs that are expected to recover their full costs, primarily through user charges. Examples include the Higher Education Services Office Student Loan Fund, the State Lottery Fund, the Chemical Dependency Treatment Fund, and the Private Employers Insurance Fund.
<b>Executive Budget Officer – EBO</b>	General	Minnesota Management & Budget staff who are assigned to specific budget areas and who are responsible for developing the Governor’s budget and tracking legislative actions.
<b>Expenditure</b>	General	The spending or disbursement of money from an appropriation.
<b>Federal Funds</b>	General	Revenues received by the state from federal government appropriations. Federal funds are deposited in the state treasury and must be appropriated to be spent. A process for legislative review of federal funds is established in Minnesota Statutes, section 3.3005.
<b>Federal Matching Requirements</b>	General	A requirement that the state commit a specific amount of state funds for a particular purpose to obtain federal funds for the same purpose. In general, percentages vary from 0 to 50 percent. For example, a federal grant that requires a ten percent match would involve \$1 million (state funds) and \$10 million (federal funds) for a total of \$11 million. The amount of funding the state must commit is often referred to as the “state match.”

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<b>Fiduciary Funds</b>	General	Account for assets held by the state in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or funds. These include pension trusts funds, nonexpendable trust funds (where the principal may not be expended, <i>e.g.</i> , the Permanent School Fund, Environmental and Natural Resources Nonexpendable Trust Fund), expendable trust funds ( <i>e.g.</i> , the Municipal State-aid Street Fund, County State-aid Highway Fund, Environment and Natural Resources Expendable Trust Fund, Reemployment Compensation Fund), and agency funds, such as the Deferred Compensation Fund.
<b>Minnesota Management and Budget (MMB)</b>	General	The agency with broad powers to administer the financial affairs of the state, among them the responsibility to develop and present the Governor's budget, produce forecasts of state revenues, expenditures, and debt capacity, and to manage the state's capital indebtedness and capital bonding. The Commissioner of MMB is designated in statute as the state's chief accounting officer, principal financial officer and the state controller.
<b>Fiscal Note</b>	General	Official estimate of expenditures or non-tax revenues resulting from proposed legislation, prepared by agencies or fiscal staff. State statute (M.S. § 3.98) requires that fiscal notes be prepared at the request of the chair of the standing committee to which a bill has been referred, or by the chair of the Ways and Means Committee of the House or Finance Committee of the Senate. State law defines the required components of a fiscal note. The Legislative Budget Office is responsible for oversight of the processing, preparation, delivery and updating of fiscal notes, and for assuring their accuracy and completeness.
<b>Fiscal Note Tracking System (FNTS)</b>	General	The system used to request, prepare, and deliver fiscal notes.
<b>Fiscal Year</b>	General	The 12-month period on which the state's budget is based; for the state of Minnesota the fiscal year runs from July 1 to June 30. (State fiscal year 2023 began on July 1, 2022.) School district fiscal years are the same as the state fiscal year. Minnesota county and city fiscal years are the same as the calendar year. The federal fiscal year runs from October 1 to September 30. (Federal fiscal year 2023 began on October 1, 2022.)
<b>Forecast</b>	General	Each year in November and February, Minnesota Management & Budget is required to project state revenues and expenditures based on current law (M.S. § 16A.103). This prediction is the "forecast" upon which the Governor and the Legislature base their budget proposals. The State Economist uses both national economic forecasting data and Minnesota-specific data. Within

Term	Subject	Description/Definition
		the forecast process, the Department of Revenue is required to forecast revenues to be received by school districts, counties and towns. MMB is also required to submit a debt capacity forecast at the same times as the revenue and expenditure forecast.
<b>Forecast Changes</b>	General	Adjustments to the base budget in a forecasted program as a result of a new budget forecast that predicts expenditure difference from the base.
<b>Forecasted Programs</b>	General	Programs where funding levels are adjusted in a budget forecast based on changes in caseloads, enrollments or average costs. Funding formulas for these programs are like entitlements.
<b>Fund Balance or Fund Statement</b>	General	Summary of revenues, expenditures, reserves and year-end balances for a fund or funds. This term is most often used with the General Fund. Fund balance documents are updated with the release of a budget forecast, after a session ends and for the release of a Governor's budget.
<b>GAAP - Generally Accepted Accounting Principles</b>	General	Uniform standards for government accounts. Most state funds are accounted for using the modified accrual basis of accounting which recognizes the unique revenue and expenditure issues for some state payments. If a state law requires different accounting than a GAAP standard, the difference will be noted as an audit exception. GAAP is administered by the Governmental Accounting Standards Board (GASB.)
<b>GDP – Gross Domestic Product</b>	General	The total value of all goods and services provided in a country by residents and non-residents of that country.
<b>GDP Implicit Price Deflator</b>	General	An inflationary measure intended to capture changes in the average price of goods and services in the U.S. Unlike the CPI-U, which measures changes in a fixed group of goods and services, the price deflator measures a changing mix of goods and services and includes consumer expenditures, private investment, government spending and exports net of imports. The GDP Implicit Price Deflator is available from the U.S. Department of Commerce, Bureau of Economic Statistics.
<b>General Fund</b>	General	The largest fund in the state treasury, into which receipts from most major taxes are deposited ( <i>e.g.</i> , individual and corporate income, sales, cigarette and liquor, etc.). Most of the money in the General Fund is not earmarked for specific purposes. The General Fund is the major source of funding for education, health care and human services and other major functions of state government. (M.S. § 16A.54)

Term	Subject	Description/Definition
<b>GSP – Gross State Product</b>	General	A measure of state economic output.
<b>Internal Service Funds</b>	General	Funds internal to the operation of state government that provide a variety of services to state agencies, such as telecommunications and computer services, plant management, office supplies and surplus services. The full costs of services provided must be covered by billing back state agencies.
<b>K-12</b>	General	Kindergarten through grade twelve education.
<b>Legacy Funds</b>	General	Four funds established by a 2008 amendment to the Minnesota Constitution and funded with an increase of 375 percentage points in the state sales tax. The four funds are: (1) the Outdoor Heritage Fund; (2) the Arts & Cultural Heritage Fund; (3) the Clean Water Fund; and (4) the Parks & Trails Fund. Spending from these funds must be appropriated by the Legislature each biennium or year.
<b>Legislative Advisory Commission (LAC)</b>	General	Joint House–Senate legislative commission assigned responsibility for reviewing the acceptance of federal grants when the Legislature is not in session and the allocation of emergency contingent funds. The LAC also advises the Governor on issues such as spending from the budget reserve when receipts are less than projected expenditures and on spending of certain contingent appropriations. (M.S. §§ 3.30, 3.3005)
<b>Legislative Budget Office (LBO)</b>	General	A nonpartisan office with responsibility for oversight of fiscal notes and local impact notes. The LBO took over responsibility for fiscal notes September 1, 2019, and supports the Tax Expenditure Review Commission. The Legislative Budget Office Commission oversees the LBO.
<b>Legislative Commission on Planning and Fiscal Policy (LCPFP)</b>	General	Joint House-Senate legislative commission that examines and reviews state budget and fiscal issues.
<b>Local Impact Notes</b>	General	An estimate of the local government cost of certain legislation or administrative rules proposing state-mandates that have fiscal impacts on political subdivisions including school districts. Notes are prepared by the Legislative Budget Office at the request of the chair or ranking minority member of the House or Senate Tax, Finance or Ways & Means Committees. (M.S. §§ 3.986 to 3.988)
<b>Mandates</b>	General	Requirements imposed by one level of government on another. “Mandate” may refer to requirements imposed by the funding

Term	Subject	Description/Definition
		level of government that must be met by the recipient governments in order to receive funds.
<b>Non-Dedicated Revenue</b>	General	Revenue not dedicated to a specific spending purpose, for example most General Fund revenue.
<b>Omnibus Bill or Act</b>	General	A collection of separate bills or appropriations in a single, large bill or act.
<b>Open Appropriations</b>	General	A form of statutory appropriation where the level of funding necessary to fulfill the obligation is made available in the fiscal year. The state fund balance shows an estimate of the amount expected to be spent. Some programs funded by formula ( <i>e.g.</i> , general education aid), and programs funded through fees, are open appropriations.
<b>Performance Based Budgeting</b>	General	Setting appropriations based on expected agency performance levels or with the intent of encouraging certain performance. Performance based budgeting focuses on agency or program outcomes rather than inputs. Also called Results Budgeting.
<b>Performance Based Reporting</b>	General	A system that identifies specific goals and objectives and attempts to measure progress toward those goals. The system is intended to focus on the outcomes, or effects, of government activities, rather than on inputs, such as the number of employees performing an operation. Performance data must be included in the biennial budget documents.
<b>Personal Income</b>	General	In national economic accounting, personal income is the income received by persons: individuals, owners of unincorporated businesses (including partnerships), non-profit institutions, private trust funds, and private non-insured welfare funds. Personal income is the sum of wage and salary disbursements, other labor income, proprietors' income, rental income of persons, dividends, and personal interest income and transfer payments, less personal contributions for social insurance. – <i>Dictionary of U.S. Government Statistical Terms</i> , (Source: U.S. Department of Commerce, Bureau of Economic Analysis.) Minnesota personal income is used in the price of government calculation.
<b>Planning Estimates</b>	General	Expenditure estimates for the biennium after the one for which appropriations are being made (FY 2026-27 during the 2023 and 2024 sessions.)
<b>Price of Government (POG)</b>	General	A comparison of revenue raised by state and local government in Minnesota to personal income in Minnesota. The measure is expressed as a percentage, comparing state and local government tax and non-tax revenues to aggregate Minnesota

Term	Subject	Description/Definition
		personal income. The price of government percentage is reported when budget forecasts are released and after a legislative session is completed. (M.S. § 16A.102)
<b>Real (Constant) Dollars</b>	General	The value of money after adjusting for inflation (vs. <i>nominal</i> , or <i>current</i> value—the value without adjusting for inflationary effects.)
<b>Reciprocity</b>	General	A mutual action, exchange or agreement, usually between two states, such as mutual recognition of residency for purposes of income tax liability, eligibility for resident tuition and the like.
<b>RFP, Request for Proposal</b>	General	A process used to solicit proposals from interested parties for specific agency initiatives. The RFP contains detailed information about the proposals being sought including potential funding available and required time lines. The process involves the submittal of detailed applications by interested parties.
<b>Results Budgeting</b>	General	See <i>Performance Based Budgeting</i> .
<b>Revenue</b>	General	Government revenue is money received by a government from external sources net of refunds and other correcting transactions, other than from the issuance of debt, liquidation of investments, and as agency and probate trust transactions. Government revenue excludes non-cash transactions such as receipt of services, commodities or other receipts in kind. Government revenue includes intergovernmental revenue. <i>Source: Dictionary of U.S. Government Statistical Terms, ibid.</i>
<b>Revenue Estimate</b>	General	Official fiscal analysis prepared by the Department of Revenue, forecasting the revenue loss or gain from the enactment of proposed tax legislation (See M.S. § 270C.11, subds. 4 to 5.) The revenue estimate does not identify the costs a state agency or local government may incur to implement the proposed change; a fiscal note is required to obtain any state agency cost. Revenue estimates are available on the Department of Revenue website at <a href="#">Department of Revenue</a> .
<b>Revolving Fund</b>	General	A fund established in law in which revenue (including loan payments) is credited back to the fund for the same use as the original appropriation.
<b>Sequestration</b>	General	A process for reductions in federal spending mandated by the Budget Control Act of 2011. Beginning in federal fiscal year 2013, and continuing for 10 years with reductions increasing in

Term	Subject	Description/Definition
		later years, programs not specifically exempt from sequestration will receive across-the-board budget reductions.
<b>Special Funds</b>	General	A grouping of revenues from certain sources from which certain expenditures are made. The state of Minnesota has a General Fund and a variety of special funds. Revenues for these special funds are usually dedicated and expenditures from the special funds are usually restricted for certain purposes. Examples of special funds include the Highway User Tax Distribution Fund, Trunk Highway Fund, Environmental Fund, Natural Resources Fund, Game and Fish Fund, Health Care Access Fund, State Government Special Revenue Fund and Special Revenue Fund.
<b>Special Revenue Fund</b>	General	A specific special fund that includes many miscellaneous accounts. See <a href="#">Special Funds</a> , above.
<b>Spending Plan</b>	General	Developed by state agencies after the legislative appropriation process is completed, the plans must specify the purpose and amount required for each activity and must be “within the amount and purpose of the appropriation.” State law (M.S. § 16A.14, subd. 3) requires that agency spending plans must be approved by Minnesota Management & Budget before any money is spent.
<b>Statutory (or Standing) Appropriation</b>	General	An appropriation made in statute (instead of session law) authorizing the ongoing payment out of the treasury for a program. In contrast to direct appropriations, statutory appropriations need not be renewed every biennium for funding to continue.
<b>State Aids</b>	General	Programs by which the government provides financial assistance to political subdivisions to assist them in delivering public services, financing public facilities or reducing property taxes in connection with state mandates, programs and procedures.
<b>Structural Balance</b>	General	The measure of whether or not projected revenues are greater than or equal to projected expenditures in a certain time period.
<b>Supplemental Budget</b>	General	Refers to either (1) adjustments to the biennial budget considered in even-numbered years; or (2) changes to the original budget documents submitted by the Governor (usually based on revised estimates of forecasted revenues and expenditures.)
<b>SWIFT – Statewide Integrated Financial Tool</b>	General	The state’s financial accounting, procurement, human resources and payroll system. See the “State Government Finance” section.

Term	Subject	Description/Definition
<b>Tails</b>	General	(1) The future budget effects of any appropriation or revenue provision; or (2) an appropriation, funding formula, or tax expenditure that takes effect in, or carries forward to a future biennium, a higher future costs/ revenue losses to the state treasury than in the initial biennial budget period.
<b>Targets</b>	General	In the legislative process, specific limits on spending changes, assigned by the House Ways and Means Committee, to reconcile the fiscal actions of committees and divisions with the <a href="#">Budget Resolution</a> . The targets add up to the total limit on expenditures established in the <a href="#">Budget Resolution</a> .
<b>Transfers</b>	General	(1) Minnesota Statutes, section 16A.285 allows agencies to transfer operations money between programs within the same fund. Agencies must notify the Commissioner of Minnesota Management & Budget of the transfer. A transfer must be consistent with legislative intent and must be reported by MMB to the chairs of the House Ways and Means Committee and the Senate Finance Committees. Agencies may transfer funds within programs, without notifying the Legislature, unless language in statute or law prohibits a specific transfer; or (2) transfer may also refer to the legislatively directed movement of money from one fund or account to another.
<b>Unallotment</b>	General	Statute directs the Commissioner of Minnesota Management & Budget, with the approval of the Governor and after consulting with the <a href="#">Legislative Advisory Commission</a> , to reduce unspent allotments if a deficit would otherwise occur (M.S. § 16A.152, subd. 4). The commissioner may only unallot General Fund appropriations after the Budget Reserve is used to balance expenditures and revenues.
<b>Veto</b>	General	The Minnesota State Constitution allows the Governor to veto a bill or to veto one or more items of appropriation in a bill while approving the rest of the bill (line-item veto). If the Governor signs a bill that contains vetoed provisions, a statement of the items vetoed must be attached to the signed bill. If the Legislature is in session, the Governor must transmit the bill to the house where it originated and repassage of the vetoed items may be considered separately.
<b>Zero Based Budgeting</b>	General	A budget building process that starts from the assumption that an appropriation is zero rather than a base that is the same as a previous appropriation.





## Agriculture

Term	Subject	Description/Definition
<b>ACCRA or Agricultural Chemical Response and Reimbursement Account</b>	Agriculture	An account within the Agricultural Fund for agricultural chemical spill remediation.
<b>AGRI</b>	Agriculture	Acronym for Agricultural Growth, Research, and Innovation Program. The purpose of the program is to promote the advancement of the state's agricultural and renewable energy industries.
<b>Agricultural Best Management Practices Program</b>	Agriculture	This is a revolving loan program that is supported by MDA and PFA funds. Program goals include decreasing pollution from agriculture operation thru improvements in facilities and practices in the agriculture industry.
<b>Agricultural Fund or Ag Fund</b>	Agriculture	A fund in the state treasury that includes many of the Agriculture Department's fee based programs.
<b>Agriculture State Special Appropriation</b>	Agriculture	The appropriation from the General Fund is to the University of Minnesota to be used for the MN Extension Service and the Agricultural Experiment Stations.
<b>Agricultural Water Quality Certification Program (MAWQCP)</b>	Agriculture	Created in 2013, the program is voluntary for farmers to implement water conservation practices and in return receive regulatory certainty for 10 years.
<b>AURI</b>	Agriculture	Acronym for the Agricultural Utilization Research Institute. AURI's mission is to identify and expand existing markets and develop new uses for the state's agricultural commodities.
<b>Avian Influenza</b>	Agriculture	Animal disease addressed by the 2015 Legislature in partnership with the USDA and several state agencies. Appropriations related to this disease began in 2015.
<b>BAH</b>	Agriculture	Acronym for the Board of Animal Health. The board's mission is to protect, maintain, and improve the health of the state's domestic animals.
<b>Clean Water Legacy</b>	Agriculture	The name given to Minnesota Statutes, section 114D. It governs the state efforts to protect, restore and preserve the quality of surface waters of the state in accordance with the federal Clean Water Act.
<b>Ethanol Producer Payments</b>	Agriculture	Payments made to ethanol producers in the state based on a per gallon produced amount. Final payments were made in FY 2013.

Term	Subject	Description/Definition
<b>Integrated Pest Management Program</b>	Agriculture	The IPM Program develops and implements statewide strategies for the increased use of IPM on private and state managed lands.
<b>MDA</b>	Agriculture	Acronym for the Minnesota Department of Agriculture. The department's mission includes working toward profitable and environmental sound agricultural industry, safe food, and orderly commerce in agricultural products.
<b>RFA or Rural Finance Authority</b>	Agriculture	The Department of Agriculture's division that manages a variety of agriculture related loan programs.
<b>USDA</b>	Agriculture	Acronym for the United States Department of Agriculture.

## Capital Investment

Term	Subject	Description/Definition
<b>Appropriation Bonds</b>	Capital Investment	Bonds that may be issued by the state of Minnesota or by an entity other than the state of Minnesota. The distinguishing characteristics of these bonds are: (1) the Legislature makes an annual appropriation to pay the debt service on the bonds; (2) the state does not stand behind the bonds with its full faith, credit, and taxing powers; (3) the bonds are not considered public debt as defined by the Minnesota Constitution; and (4) the state does not have a contractual obligation to pay bondholders the debt service owed on the bonds. However, if the state would not make an appropriation for the debt service, the state's credit rating would likely be affected. Appropriation Bonds have typically been backed by a General Fund statutory appropriation but can also be backed by other state funds.
<b>Arbitrage</b>	Capital Investment	The financial gain that can be garnered by selling tax-exempt bonds and reinvesting the bond proceeds at a higher, taxable, interest rate. For example, if the principal of an eight percent bond is invested at 10 percent, the 2 percent profit that results is the arbitrage gain. Arbitrage is regulated and limited by federal tax law.
<b>Bond</b>	Capital Investment	A written promise to pay a specific sum of money (the principal) at a date or dates in the future (the maturity) together with periodic interest at a specified rate.
<b>Bond Counsel</b>	Capital Investment	Attorneys for the state (currently Kutak Rock LLP) who provide assistance with bond sales and other bond-related matters, including offering an unqualified legal opinion approving the issuance of bonds and with respect to the tax status of the bonds being issued. To ensure projects are "bondable," the Legislature and Governor often consult with bond counsel when they are writing a law containing bond-financed projects.
<b>Bond Rating</b>	Capital Investment	Rating for bonds to be issued that primarily reflects the ability of the issuer to repay the bonds, in essence, the bond issuer's credit rating. Better bond ratings result in lower interest rates for the bonds issued. Current bond rates for the state are AAA by Fitch and Standard and Poor's and Aa1 by Moody's.
<b>Bond Sale Expenses</b>	Capital Investment	Funds appropriated to Minnesota Management and Budget for expenses associated with selling general obligation bonds (including bond counsel fees); approximately one-tenth of one

Term	Subject	Description/Definition
		percent of the total general obligation bonds authorized less any cancellations.
<b>Call Option</b>	Capital Investment	A stipulation in a bond contract that allows the issuer the option to buy back the bonds at a specified date. A call option gives the issuer flexibility to lower costs if interest rates drop. Call options typically are set at 10 years on Minnesota's 20 year bonds.
<b>Cancellation Report</b>	Capital Investment	Required notification from the Commissioner of Minnesota Management and Budget to the chairs of the Senate Finance Committee, House Ways and Means Committee, and House and Senate Capital Investment Committees by January 1 of each odd numbered year highlighting general fund and bond financed projects authorized more than four years before January 1; these projects will cancel on July 1 unless action is taken by the Legislature.
<b>Capital Budget</b>	Capital Investment	Includes funding for tangible, public assets rather than programmatic-related activities. Funding for this budget comes from a variety of sources, including general obligation bonds, user-financed bonds, revenue bonds, and general fund cash. Typically, the capital budget is larger in the even-numbered years and smaller in the odd-numbered years.
<b>CAPRA</b>	Capital Investment	Capital Asset Preservation and Renewal Account – Bond funds appropriated to the Department of Administration for the purpose of restoring or maintaining state agency buildings and other items of a capital nature. (See also, <a href="#">HEAPR</a> .)
<b>Certificates of Participation (COP)</b>	Capital Investment	Are financial products in which an investor buys a share of lease revenue rather than buying bonds for projects. For example, in 2014 the state sold Certificates of Participation for a new legislative office facility in which the Department of Administration is leasing the building from Minnesota Management and Budget, who in turn pays certificate holders, in this case Wells Fargo Bank. The debt service for a certificate of participation is paid through agency rent. These agreements are not general obligation debt and are not backed by the full faith and credit of the state, but still count toward the state's debt capacity.
<b>Construction</b>	Capital Investment	The phase of a building project following <a href="#">predesign</a> and <a href="#">design</a> . It usually accounts for more than 91 percent of the spending on a project, and is the implementation of the predesign and design stage decisions.

Term	Subject	Description/Definition
<b>Debt Capacity Forecast</b>	Capital Investment	Each year in February and November, the Commissioner of Management and Budget must prepare a forecast on the state's indebtedness (M.S. § 16A.105). The forecast must include information on long-term general obligation debt, including the actual debt service paid from the general fund for the past two fiscal years and estimated debt service for the current fiscal year and the next six fiscal years. In addition, the report must note the amount of debt authorized and unissued and the borrowing capacity for the next six fiscal years. The borrowing capacity is based on the state's debt management guidelines, which are typically discussed briefly in the forecast.
<b>Debt Capacity</b>	Capital Investment	The estimated maximum amount of additional principal the state can issue in tax-supported debt and/or other obligations while upholding the principals outlined in the state's debt management guidelines.
<b>Debt Management Guidelines</b>	Capital Investment	Guidelines that the state imposes on itself to control its capital investment. Following the guidelines will generally result in a better bond rating for the state, and thus, lower interest rates for state borrowing. The guidelines include: (1) total tax-supported principal outstanding shall be 3.25 percent or less of total state personal income; (2) total amount of principal (both issued and authorized but unissued) for state general obligations, state moral obligations, equipment capital leases and real estate capital leases are not to exceed 6 percent of state personal income; and (3) 40 percent of general obligation debt shall be due within five years and 70 percent within 10 years, if consistent with the useful life of the financed assets and/or market conditions
<b>Debt Service</b>	Capital Investment	Dollars required to pay the interest and principal on the money borrowed by the state for its capital projects.
<b>Defeasance</b>	Capital Investment	To set aside money in an escrow account that is sufficient to retire outstanding bonds. By setting aside funds to retire debt before the call date on the bonds, the bonds are in effect taken off the books.
<b>Deferred Maintenance</b>	Capital Investment	Backlog or catch-up maintenance of state buildings.
<b>Design</b>	Capital Investment	The second phase of a project, before construction, after predesign. Design usually is less than eight percent of the total budget of a project, and consists of three phases: schematic design, design development and construction documents. The

Term	Subject	Description/Definition
		bulk of the spending during a project during the design phase is for architectural and engineering programming.
<b>Design-Build</b>	Capital Investment	A way to build capital projects that may offer cost and/or time savings over traditional design-bid-build methods on some projects. This method allows simultaneous design and construction to take place and potential cost and/or time savings over the traditional method in certain cases.
<b>General Obligation Bonds</b>	Capital Investment	<i>“GO Bonds”</i> – Bonds that the state stands behind with its full taxing powers, including general fund-supported bonds, trunk highway bonds, and user-financed bonds. Differs from revenue bonds where a particular revenue stream is dedicated to repayment of bonds. GO bonds also differ from appropriation bonds where the state makes an appropriation for the debt service but does not stand behind the bonds with its full faith, credit, and taxing powers. (GO bonding authorization is outlined in the Minnesota Constitution, article XI, section 5; authority also subject to Minnesota Statutes, sections 16A.11, 16A.86, and 16A.502).
<b>HEAPR</b>	Capital Investment	Higher Education Asset Preservation and Renewal Account. Bond funds allocated to the higher education systems for the purpose of restoring or maintaining buildings and other items of a capital nature.
<b>Planned Maintenance</b>	Capital Investment	Preventative maintenance of a corrective and planned nature to repair and prevent building problems.
<b>Lease Purchase Agreements</b>	Capital Investment	Are financial products in which the buyer of a new facility enters into an agreement with the builder, landlord, or developer to pay the cost of the new facility as part of rent for the space. The developer is responsible for selling bonds and is at risk for non-payment of rent. In addition to using General Obligation bonds, the state entered into a Lease Purchase Agreement with the St. Paul Port Authority in 2002 to build the Department of Human Services, Health, and Agriculture buildings, completed in 2005. These agreements are not general obligation debt and are not backed by the full faith and credit of the state, but still count toward the state’s debt capacity.
<b>Predesign</b>	Capital Investment	First stage of a building project. Usually accounts for less than one percent of total project spending. This stage is intended to determine a project’s feasibility, define the essential aspects of the project and prepare instructions for the design phase. The predesign documents should include the rationale for the project, its use components, costs and scheduled cash

Term	Subject	Description/Definition
		flow. In addition, predesign should address possible operating budget implications of the project.
<b>Public Debt</b>	Capital Investment	Obligations for which the state makes payments by using the revenues generated by a tax of statewide application (ex: statewide income and sales tax) and for which the state stands behind with its full faith, credit, and taxing powers. If revenues other than statewide taxes are pledged to pay the debt, such as fees, the obligations are not considered public debt. Public debt is most oftentimes issued to acquire or make capital improvements to public land or buildings. However, the Constitution provides for additional uses as well (State Constitution, Art. XI, § 5). To issue public debt, the State Constitution also requires a vote of at least three-fifths of the members of both the House and Senate.
<b>Revenue Bonds</b>	Capital Investment	Bonds for which the debt service is paid by a specific revenue stream and not out of the general fund. The most common example of how these bonds are used is by the state's higher education institutions; they use revenue bonds for the purpose of building a parking lot or dorm and pay the debt service of those bonds with revenue from parking fees or dormitory rents.
<b>Tobacco Bonds</b>	Capital Investment	Bonds issued in 2011 to pay for a portion of general obligation debt service costs in FY 2012 and FY 2013, that would otherwise have been paid for from the state's general fund (2011 First Special Session Laws, chapter 7, article 11). The tobacco bonds were refinanced and replaced with appropriation bonds in 2012.
<b>Trunk Highway Bonds</b>	Capital Investment	General obligation (GO) bonds issued to pay for construction projects on the trunk highway system. Trunk highway projects may not be funded by GO bonds backed by the general fund as required by the State Constitution, article XIV, section 11. Trunk highway bonds must be repaid from highway related revenues.
<b>User-Financed Bonds</b>	Capital Investment	General obligation bonds issued by the state of Minnesota, but the debt service is paid by another entity. As an example, the state issues bonds for Minnesota State Colleges and Universities System projects, and the system pays the debt service on approximately one-third of those bonds (excludes HEAPR projects).



## Economic Development, Energy, Labor and Commerce

Term	Subject	Description/Definition
<b>BMS</b>	Economic Development, Energy, Labor and Commerce	Acronym for Minnesota Bureau of Mediation Services.
<b>Brownfields</b>	Economic Development, Energy, Labor and Commerce	Parcels of land that were used for industrial or manufacturing purposes in the past, but now are underutilized or have been abandoned. In many cases, soils under brownfields have been contaminated with pollutants. Redevelopment of brownfields is often difficult because of the costs associated with cleaning up the pollutants, although brownfields are not all necessarily contaminated.
<b>CAMPUS -</b>	Economic Development, Energy, Labor and Commerce	CAMPUS is an online workers' compensation claims portal launched by the Department of Labor and Industry in November 2020.
<b>CILs</b>	Economic Development, Energy, Labor and Commerce	Acronym for Centers for Independent Living.
<b>CLUES</b>	Economic Development, Energy, Labor and Commerce	Acronym for Comunidades Latinas Unidas En Servicio (Latino Communities United in Service).
<b>Commerce</b>	Economic Development, Energy, Labor and Commerce	Often-used short reference for the Department of Commerce.
<b>DEED</b>	Economic Development, Energy, Labor	Acronym for the Minnesota Department of Employment and Economic Development. DEED is the state's principal economic and workforce development agency, with programs promoting business recruitment, expansion and retention,

Term	Subject	Description/Definition
	and Commerce	workforce development, international trade, and community development. DEED also administers Minnesota's unemployment insurance program. DEED is the successor agency to the former Departments of Trade and Economic Development and Economic Security.
<b>Dislocated Worker Program</b>	Economic Development, Energy, Labor and Commerce	The federal and state dislocated worker programs serve those dislocated from long held jobs because of factors such as technological changes, investment decisions, and changes in consumption and competition. Services provided to clients fit into three broad categories: readjustment, retraining, and supportive services. Administered by the Department of Employment and Economic Development, this program is funded by an assessment on unemployment insurance plans that is deposited into the Workforce Development Fund.
<b>DLI</b>	Economic Development, Energy, Labor and Commerce	Acronym for the Minnesota Department of Labor and Industry (commonly referred to as "Dolly"). DLI oversees the state's programs for apprenticeship, construction codes and licensing, dual-training pipeline, occupational safety and health, wage and hour standards, workers' compensation, and youth skills training programs.
<b>DMC</b>	Economic Development, Energy, Labor and Commerce	Acronym for Destination Medical Center – an economic development initiative located in Rochester, MN. The state has committed \$585 million over 20 years to match private investments.
<b>EDA</b>	Economic Development, Energy, Labor and Commerce	Acronym for Economic Development Authority.
<b>Initiative Foundations</b>	Economic Development, Energy, Labor and Commerce	Six nationally recognized foundations in Greater Minnesota that aim to strengthen their regions' communities and economies.
<b>IRRR</b>	Economic Development, Energy, Labor	Acronym for the Department of Iron Range Resources and Rehabilitation (commonly called the "I-triple-R"). The IRRR is charged with strengthening and diversifying the economy of northeastern Minnesota. The IRRR is funded predominately

Term	Subject	Description/Definition
	and Commerce	from taconite production taxes that are levied against mining companies in lieu of property taxes.
<b>Launch Minnesota</b>	Economic Development, Energy, Labor and Commerce	A DEED program established in 2019 to encourage and support the development of new private sector technologies and support science and technology policies.
<b>LEAP – Labor Education Advancement Program</b>	Economic Development, Energy, Labor and Commerce	DLI administers the LEAP grant program. LEAP grants provide funding to community-based organizations to facilitate the participation of people of color, Indigenous people and women in registered apprenticeship programs.
<b>MEDA</b>	Economic Development, Energy, Labor and Commerce	Acronym for Metropolitan Economic Development Association.
<b>Minnesota CareerForce (previously the Workforce Center System)</b>	Economic Development, Energy, Labor and Commerce	A career development and talent matching resource that provides a full array of employment and training services in one location or online. The system is a state and local partnership comprised of DEED and sixteen Workforce Development Area Boards, which together operate 50 CareerForce locations throughout the state. Primary partners include federal workforce programs (WIA, WIOA), Vocational Rehabilitation Services, Veterans programs, State Services for the Blind, local Workforce Councils/Private Industry Councils, and local elected officials. This multi-partnered system also includes county governments, post-secondary and secondary institutions, county social service agencies, community action agencies, the Minnesota Family Resiliency Partnership (previously the Displaced Homemaker Program), and other community partners.
<b>Minnesota Investment Fund (MIF)</b>	Economic Development, Energy, Labor and Commerce	The purpose of the Minnesota Investment Fund is to create and retain jobs with a focus on industrial manufacturing and technology related industries. DEED awards grants to local units of government that, in turn, make loans to assist new or expanding businesses. Loans to businesses can be for land, buildings, equipment, and training. Funds may also be used

Term	Subject	Description/Definition
		for infrastructure improvements necessary to support businesses located in or intending to locate in Minnesota.
<b>Minnesota Job Creation Fund (JCF)</b>	Economic Development, Energy, Labor and Commerce	The Job Creation Fund provides financial incentives to new and expanding businesses that meet certain job creation and capital investment targets. The JCF is administered by the Department of Employment and Economic Development.
<b>Minnesota Jobs Skills Partnership Program (JSP)</b>	Economic Development, Energy, Labor and Commerce	A training program operated by the Department of Employment and Economic Development. JSP provides training for new jobs and/or skills training that supports employee retention.
<b>MNOSHA</b>	Economic Development, Energy, Labor and Commerce	Acronym for the Minnesota Occupational Safety and Health Administration housed in the Department of Labor and Industry.
<b>NDC</b>	Economic Development, Energy, Labor and Commerce	Acronym for Neighborhood Development Center
<b>OCS – Office of Combative Sports</b>	Economic Development, Energy, Labor and Commerce	OCS licenses combative sports promotions, combatants, officials and coaches of events held within Minnesota. OCS is housed in the Department of Labor and Industry.
<b>OIC</b>	Economic Development, Energy, Labor and Commerce	Acronym for Opportunities Industrialization Center
<b>Pathways to Prosperity</b>	Economic Development, Energy, Labor and Commerce	A DEED competitive grant program (sometimes referred to as “P2P”) for programs and services designed to provide workforce development and training opportunities to economically disadvantaged adults to help them develop increased career awareness; acquire basic skills education; participate in skills-training programs; and find jobs in high

Term	Subject	Description/Definition
		growth, high demand industries with long-term employment opportunities.
<b>PERB</b>	Economic Development, Energy, Labor and Commerce	Acronym for the Public Employment Relations Board
<b>PUC</b>	Economic Development, Energy, Labor and Commerce	Acronym for the Public Utilities Commission. The PUC creates and maintains a regulatory environment that ensures safe, reliable and efficient electric, natural gas and telephone services as a quasi-judicial/quasi-legislative board.
<b>RDC</b>	Economic Development, Energy, Labor and Commerce	Acronym for a Regional Development Commission.
<b>RDF</b>	Economic Development, Energy, Labor and Commerce	Acronym for the Renewable Development Fund, also known as the Renewable Development Account (RDA). A state fund that, prior to 2017, was managed by Xcel Energy.
<b>SSB</b>	Economic Development, Energy, Labor and Commerce	Acronym for State Services for the Blind.
<b>UI</b>	Economic Development, Energy, Labor and Commerce	Acronym for Unemployment Insurance. UI is a short-term program administered by DEED that provides temporary income to individuals looking for new jobs or awaiting recall to their regular jobs. The benefits for this program come from taxes employers pay in to the Minnesota Unemployment Insurance Trust Fund. No deductions are taken from any worker's wages to pay for these benefits. (See Taxes, FUTA.)
<b>WCRA, Workers' Compensation Reinsurance Association</b>	Economic Development, Energy, Labor	A nonprofit association of all insurance carriers that carry workers' compensation insurance. WCRA is responsible for: establishing procedures under which claims are made and for reviewing claims; collecting data regarding liabilities against the insurers; and calculating and charging members

Term	Subject	Description/Definition
	and Commerce	premiums sufficient to cover expected liabilities that members will incur.
<b>Workforce Development Fund (WDF)</b>	Economic Development, Energy, Labor and Commerce	Fund that is used to finance employment and training programs, with the largest portion of funding dedicated for the Dislocated Worker Program. The WDF is funded with a special assessment paid by employers. The assessment is levied against each employer's taxable wages subject to the Unemployment Insurance Tax.
<b>Workers' Compensation Fund (WCF)</b>	Economic Development, Energy, Labor and Commerce	Fund that is used to finance Minnesota's workers' compensation system, including administrative costs for the Department of Labor and Industry, the Office of Administrative Hearings and the Workers' Compensation Court of Appeals. The fund also provides benefits to injured workers whose employers do not have mandatory workers' compensation coverage and enforces mandatory workers' compensation insurance coverage. The fund consists of assessments made on workers' compensation insurers and self-insured employers on the basis of their payments to injured workers for wages lost as a result of injuries.

## Education and Early Education

Term	Subject	Description/Definition
<b>ADM – Average Daily Membership</b>	Education and Early Education	The unweighted headcount of pupils being served in a school district.
<b>Achievement and Integration Revenue</b>	Education and Early Education	A revenue program intended to close Minnesota's academic achievement and opportunity gap.
<b>Alternative Compensation Revenue (also called “Q-Comp Revenue”)</b>	Education and Early Education	Provided to school districts which adopt alternative pay structures and implement professional development programs for teachers. Eligible districts receive \$260 per unweighted pupil of revenue. Alternative compensation revenue is a combination of aid and equalized levy.
<b>ANTC – Adjusted Net Tax Capacity</b>	Education and Early Education	The property value used for assessing most school taxes. ANTC adjusts for differences in assessment practices and reflects the application of property tax classification rates to the market value of property.
<b>AP/IB – Advanced Placement/International Baccalaureate</b>	Education and Early Education	Programs that require more rigorous student achievement than regular programs and often will count for college credit.
<b>APU – Adjusted Pupil Units</b>	Education and Early Education	The most commonly used measure of pupils in education funding formulas. APU is calculated based on a weighted count of pupils. See Pupil Units.
<b>Categorical Revenue</b>	Education and Early Education	Any revenue type outside of the General Education Program that is designated for a specific purpose, such as Special Education Revenue, School Lunch Aid or Debt Service Equalization Aid.
<b>Compensatory Revenue</b>	Education and Early Education	A portion of general education revenue based on the concentration of students in a school building who qualify for free and reduced-priced lunches.
<b>Educational Excess &amp; Deficiency Transfer</b>	Education and Early Education	At the end of a fiscal year, any excess general fund appropriations to the Department of Education for an aid or grant program specified in Minnesota Statutes, section 127A.41 may be transferred to programs for which the appropriation is insufficient to fully fund the formula for the program. Excesses in K-12 programs (subd. 8) can only be

Term	Subject	Description/Definition
		applied to deficiencies in K-12 programs, and excesses in Early Childhood and Family Education Programs (subd. 9) can only be applied to deficiencies in Early Childhood and Family Education programs.
<b>EL – English Learner</b>	Education and Early Education	The term applied to students whose primary language is one other than English.
<b>Entitlement</b>	Education and Early Education	The amount of school district revenue resulting from a specified formula. Entitlement differs from appropriation, which is the amount of state funding needed for a given fiscal year to fund the formula in question. The appropriation for a program is calculated as a percent of the current year entitlement, plus the remaining percentage of the prior year entitlement. This adjustment is made to account for variables such as pupil counts and tax base in funding formulas, and has varied between 90/10 and 60/40 based on the financial condition of the state.
<b>Equalization</b>	Education and Early Education	The method by which the state uses state aid to prevent variations in property tax wealth between districts from influencing how much revenue a district can raise. Equalizing factors can be fixed so that the state guarantees that a certain tax rate will generate a certain amount of revenue for a school district, regardless of the district's property value.
<b>ESSA – Every Student Succeeds Act</b>	Education and Early Education	This act was signed into law at the end of 2015 to replace the No Child Left Behind (NCLB) act. Like NCLB, ESSA is a reauthorization of the Elementary and Secondary Education Act of 1965, which bolstered the federal government's role in public education.
<b>Formula Allowance</b>	Education and Early Education	Usually refers to the basic general education formula allowance. For example, the basic general education formula allowance is \$6,567 per pupil unit in fiscal year 2021.
<b>General Education Program</b>	Education and Early Education	The funding for school districts which is the primary source of revenue for their general fund. The General Education Program includes the General Education Formula Allowance, but also includes other types of formula-generated revenue: Basic Skills (Compensatory and English Learner), Extended Time, Gifted and Talented, Declining Enrollment, Small Schools, Secondary and Elementary Sparsity, Operating



Term	Subject	Description/Definition
		Capital, Transportation Sparsity, Equity, Transition, Location Equity/Local Optional and Referendum.
<b>IEP – Individual Education Plan</b>	Education and Early Education	The learning plan that is required for each student with a disability.
<b>LOR – Local Optional Revenue</b>	Education and Early Education	A general education revenue program that, beginning in school year 2015-16, allows all school districts the option to access \$424 per pupil in this revenue category.
<b>Market Value</b>	Education and Early Education	The value assigned to property by an assessor. The market value is intended to reflect the sales value of the property.
<b>MARRS – Minnesota Automated Reporting Student System</b>	Education and Early Education	An automated process for school districts to report pupil data to the state. This data is used for funding calculations and other purposes.
<b>MCA – Minnesota Comprehensive Assessments</b>	Education and Early Education	Reading, math, and science tests given in public schools every year to comply with the federal requirements which measure student performance against state academic standards specifying the knowledge and skills, by grade, that students should have. Students take MCA reading and math tests in grades 3 to 8 and high school (reading in grade 10 and math in grade 11). MCA reading and math scores are used to determine whether schools and school districts meet goals specified in federal law and a waiver from federal law approved for Minnesota. Students also take the MCA science test in grades 5 and 8 and in high school when they take a life science or biology course.
<b>MDE</b>	Education and Early Education	The Minnesota Department of Education.
<b>Open Enrollment</b>	Education and Early Education	The program that allows students to attend a school district other than the one in which they reside.
<b>Operating Referendum</b>	Education and Early Education	Revenue raised by a school district through a ballot measure requiring voter approval, which allows the district to raise revenue via property tax assessments on property in the district. Operating Referendum is a mix of local levy, and in some cases, state aid if equalization is necessary. Operating Referendum is capped. Operating Referendum levies are one

Term	Subject	Description/Definition
		of few school taxes which are levied against referendum market value instead of ANTC.
<b>PSF – Permanent School Fund</b>	Education and Early Education	A constitutionally created fund, the principal of which comes from proceeds from lands designated at the time of statehood as being for the benefit of public schools. Interest from the principal in the fund is allocated twice annually to public schools across the state on a per student basis.
<b>PSEO – Postsecondary Enrollment Options</b>	Education and Early Education	A program that allows high school juniors and seniors (and qualifying sophomores) to enroll in college courses at eligible postsecondary institutions with the state paying the student's tuition expenses. In addition, college courses may be taught at the high school by college instructors at the expense of the state.
<b>Pupil Units</b>	Education and Early Education	<p>A weighted count of pupils used to determine revenue in many formulas:</p> <p>One Voluntary Pre-Kindergarten Pupil</p> <p style="text-align: right;">= 0.60 pupil units</p> <p>One 1/2 Day Kindergarten Pupil</p> <p style="text-align: right;">= 0.55 pupil units</p> <p>One Full Day Kindergarten Pupil</p> <p style="text-align: right;">= 1.0 pupil units</p> <p>One Elementary Pupil (grade 1-6)</p> <p style="text-align: right;">= 1.0 pupil units</p> <p>One Secondary Pupil (grade 7-12)</p> <p style="text-align: right;">= 1.2 pupil units</p>
<b>Q-comp Revenue</b>	Education and Early Education	Quality Compensation Revenue, see Alternative Compensation Revenue.
<b>Referendum Market Value</b>	Education and Early Education	Similar to Market Value, in that the property value is based on the value assigned by the assessor. However, referendum market value is used in the Referendum, Equity and Transition

Term	Subject	Description/Definition
		revenue programs, and excludes cabins, agricultural land and some post-secondary housing from inclusion as taxable property.
<b>Review &amp; Comment</b>	Education and Early Education	A process by which the commissioner of Education reviews and comments on the feasibility and practicality of school district building projects.
<b>Small Schools Revenue</b>	Education and Early Education	A revenue program for districts with no more than 960 adjusted pupil units.
<b>Sparsity Revenue</b>	Education and Early Education	The portion of the general education formula that provides additional revenue to school districts for schools that have relatively small enrollments and are relatively far from other school buildings.
<b>Staff Development Revenue</b>	Education and Early Education	An amount equal to two percent of the basic formula revenue in each district must be spent for staff development, unless the district's licensed teachers and school board agree to waive the requirement. Any district with statutory operating debt is exempt from this requirement.
<b>Student Achievement Levy</b>	Education and Early Education	A limited version of the old "general education" levy. The levy is set at a rate that currently generates \$20 million statewide, but will be phased out with a limit of \$10 million in FY2018 and \$0 in FY2019.
<b>Tax Capacity Rate</b>	Education and Early Education	The rate of taxation for a specific program. Tax capacity rates are expressed as a percent of the adjusted net tax capacity. Many tax capacity rates are set in law.
<b>TOCAIT</b>	Education and Early Education	Teachers of color and American Indian teachers.
<b>UFARS – Uniform Financial Accounting and Reporting Standards</b>	Education and Early Education	A statewide accounting procedure that must be used by school districts to record financial transactions and report financial information to the state Department of Education.
<b>Family &amp; Early Childhood Terms</b>	Education and Early Education	<i>Note: Additional terms and acronyms relevant to family and early childhood may be found in the Health and Human Services, and Housing and Taxes sections.</i>

<b>Term</b>	<b>Subject</b>	<b>Description/Definition</b>
<b>ABE</b>	Education and Early Education	Adult Basic Education – ABE services include workforce and literacy programs for adults over the age of 16 who are not attending elementary or secondary education. State aid and some federal aid support ABE activities. ABE state aid is distributed using the factors of basic population, contact hours, students over the age of 25 with no diploma and English Learner (EL) status.
<b>Basic Population Aid</b>	Education and Early Education	A funding component of the Adult Basic Education state aid formula. For each school district, basic population aid is equal to the greater of 1) \$1.73 multiplied by the population of the school district according to the most recent census estimate; or 2) \$3,844.
<b>Commissioner-Selected High School Equivalency Test Reimbursement</b>	Education and Early Education	Provides 100 percent reimbursement to eligible individuals for completing the full battery of high school equivalency tests, on an annual basis per individual.
<b>Community Education</b>	Education and Early Education	Programs for learners of all ages in a school district, which are subsidized with state funds and user fees. The amount of state funding a district gets for community education programs is based on the population of the district, not the number of students in the district.
<b>Early Learning Scholarship Program</b>	Education and Early Education	A program that provides scholarships to high need, at-risk children under the age of five, to expand access to high-quality pre-school programs.
<b>ECFE</b>	Education and Early Education	Early Childhood Family Education – ECFE programs are intended for families with children between birth and kindergarten. School districts are directed to establish fees based on a sliding fee scale.
<b>ECFE Home Visiting</b>	Education and Early Education	This portion of the ECFE program provides educational and social services to parents. The intent is to reach isolated or at-risk families, and it is funded by a local levy.
<b>Health and Developmental Screening</b>	Education and Early Education	Minnesota school districts are required to offer health and developmental screening for children prior to kindergarten. The state provides \$75 per child as reimbursement for health and developmental screening for children screened at age 3; \$50 for children screened at age 4; \$40 for children screened at age 5 or 6; and \$30 for children screened within 30 days of kindergarten enrollment.

Term	Subject	Description/Definition
<b>School Age Care</b>	Education and Early Education	Districts with a community education program may offer a School Age Care program for children in kindergarten through grade 6 for the purposes of expanding learning opportunities. Districts are eligible for school age care revenue for the additional cost of providing services to children with disabilities or to children experiencing family or related problems of a temporary nature.
<b>School Readiness</b>	Education and Early Education	A program subsidized with state funding and user fees that prepares children between the ages of three to five to enter kindergarten. School Readiness Plus is targeted to children age four to kindergarten entrance, with the same goal of kindergarten preparation.
<b>VPK – Voluntary Prekindergarten</b>	Education and Early Education	Starting in fiscal year 2017, funding is awarded to select school districts and charter schools to provide prekindergarten programs for four-year-old students to prepare them for kindergarten.

## Environment and Natural Resources

Term	Subject	Description/Definition
<b>BWSR or BOWSR</b>	Environment and Natural Resources	Acronym for Board of Water and Soil Resources. The board is responsible for aiding and overseeing state soil and rural water conservation efforts.
<b>Budget Oversight Committee</b>	Environment and Natural Resources	This committee is comprised of 45 citizens who provide oversight and input into policy and budget activity funded by the Game and Fish Fund.
<b>Clean Water Fund</b>	Environment and Natural Resources	One of the four sales tax dedicated funds. May be spent only to protect, enhance and restore water quality in lakes, rivers, and streams and to protect groundwater from degradation and at least 5 percent of the fund must be spent only to protect drinking water.
<b>Clean Water Legacy</b>	Environment and Natural Resources	The name given to Minnesota Statutes, section 114D. It governs the state efforts to protect, restore, and preserve the quality of surface waters of the state in accordance with the federal Clean Water Act.
<b>Closed Landfill Investment Fund (CLIF)</b>	Environment and Natural Resources	A fund established in the state treasury to be used for future state liability at closed landfill sites.
<b>Con-Con or Consolidated Conservation Lands</b>	Environment and Natural Resources	State-owned lands that Minnesota received in exchange for paying off ditch bonds issued by seven Minnesota counties in the early 1930s. Action by the 2002 Legislature designated the remaining Con-Con lands as WMA lands to be managed by the DNR.
<b>DNR</b>	Environment and Natural Resources	Acronym for the Minnesota Department of Natural Resources. The agency's stated mission is to "work with citizens to conserve and manage the state's natural resources."
<b>Ecosystem-Based Management (DNR)</b>	Environment and Natural Resources	The Minnesota DNR defines Ecosystem-based Management as the collaborative process of sustaining the integrity of ecosystems through partnerships and interdisciplinary teamwork. The long-term goal is sustainability of Minnesota's ecosystems, the people who live in them, and the economies founded on them.

Term	Subject	Description/Definition
<b>Environmental Fund</b>	Environment and Natural Resources	This fund in the state treasury is used to fund activities to monitor and control environmental pollution using taxes and fees from activities and industries contributing to environmental problems.
<b>Environment and Natural Resources Trust Fund</b>	Environment and Natural Resources	A constitutionally established fund in the state treasury that receives a portion of the net lottery proceeds the investment earnings of the fund. Annually up to 5.5 percent of the market value of the fund may be expended for natural resources purposes.
<b>Explore Minnesota Tourism</b>	Environment and Natural Resources	The lead state agency in promoting the tourism sector of the state's economy. Explore Minnesota Tourism markets Minnesota as a travel destination and leads tourism policy and product development. In addition to its main Saint Paul office, Explore Minnesota Tourism serves the tourism industry through its regional offices.
<b>Forest Management Investment Account</b>	Environment and Natural Resources	FMIA is an account in the Natural Resources fund into which the revenues from forest management activities is deposited.
<b>Game and Fish Fund</b>	Environment and Natural Resources	Fund in the state treasury that receives revenues from license fees and fines related to hunting and fishing that are spent for related purposes.
<b>Heritage Enhancement Account</b>	Environment and Natural Resources	An account in the game and fish fund, which receives a portion of the revenue collected under Minnesota Statutes, section 297A.65 (lottery-in-lieu). Money in the account may be spent only on activities that improve, enhance, or protect fish and wildlife resources.
<b>Impaired Waters</b>	Environment and Natural Resources	Surface waters which do not meet water quality standards and pose risks to people and aquatic life. The Federal Clean Water Act requires that the PCA take steps to address impaired waters.
<b>Legislative Water Commission</b>	Environment and Natural Resources	Comprised of six members of the senate, including three majority members and three minority members, and six members of the house, including three majority members and three minority members. It was established to review water policy reports and recommendations.

Term	Subject	Description/Definition
<b>Lessard-Sams Outdoor Heritage Council</b>	Environment and Natural Resources	Statutorily created council in the legislative branch with the responsibility of making recommendations to the legislature on expenditures from the outdoor heritage fund.
<b>LCCMR or Legislative-Citizen Commission on Minnesota Resources</b>	Environment and Natural Resources	The commission consists of 17 members; seven appointed citizens, five senators, and five House of Representative members. The commission recommends an annual budget plan for the expenditure of the Environment and Natural Resources Trust Fund dollars.
<b>Lottery-In-Lieu-of Tax</b>	Environment and Natural Resources	The dollars from the in-lieu of sales tax collected on lottery tickets that is directed to natural resources programs. Deposit of funds is designated in Minnesota Statutes, section 297A.94.
<b>Metropolitan Landfill Contingency Action Trust Account</b>	Environment and Natural Resources	An account within the Remediation Fund used to ensure that necessary and reasonable care would be adequately funded at mixed municipal solid waste facilities in the seven county metro area.
<b>Minnesota Environmental Response and Liability Act (MERLA)</b>	Environment and Natural Resources	Law that established the programs used by the state to cleanup polluted sites. Often referred to as the Superfund law.
<b>Minnesota Environmental Quality Board</b>	Environment and Natural Resources	Comprised of nine agency heads and five citizen members to provide coordination and leadership across agencies on priority environmental issues that are multi-jurisdictional and multi-dimensional.
<b>Minnesota Forest Resources Council</b>	Environment and Natural Resources	MFRC is a 17 member board comprised of a spectrum of interests in MN forest activities. The primary mission of the MFRC is to advise the state and local government on forest policies and practices.
<b>Natural Resources Fund</b>	Environment and Natural Resources	A fund in the state treasury that receives taxes from fuel used in recreational vehicles, fees and donations that are used to fund management of the related natural resource programs.
<b>Outdoor Heritage Fund</b>	Environment and Natural Resources	A fund established as an account in the state treasury. At least 99 percent of the money appropriated from the fund must be expended to restore, protect, and enhance wetlands, prairies, forests, and habitat for fish, game, and wildlife.



Term	Subject	Description/Definition
<b>Outdoor Recreation System</b>	Environment and Natural Resources	The system of parks, trails, recreation areas, and additional statutorily designated state lands established to provide for the outdoor recreational needs of Minnesota's citizens. The system is created in Minnesota Statutes, section 86A.
<b>PCA</b>	Environment and Natural Resources	Acronym for the Minnesota Pollution Control Agency.
<b>Parks and Trails Fund</b>	Environment and Natural Resources	A fund established as an account in the state treasury. One of the four sales tax dedicated funds. May be spent only to support parks and trails of regional or statewide significance.
<b>Petroleum Tank Cleanup Fund</b>	Environment and Natural Resources	A fund in the state treasury that receives funding from a fee imposed on petroleum distributors for the purpose of reimbursing responsible parties for most of their costs to cleanup environmental contamination from petroleum tanks.
<b>PILT or Payment in lieu of Taxes</b>	Environment and Natural Resources	A statutorily mandated payment by the DNR to local units of government. The payment is based upon the land holding controlled by the DNR in the county.
<b>Remediation Fund</b>	Environment and Natural Resources	A fund in the state treasury of money from certain fees and the proceeds of bond sales. The fund is used for costs associated with the superfund and closed landfill cleanup programs or other costs as appropriated by law
<b>RIM or Reinvest In Minnesota</b>	Environment and Natural Resources	RIM is Minnesota's premier conservation program, designed to protect, restore and improve the natural resource habitat.
<b>Sales Tax Dedicated Funds</b>	Environment and Natural Resources	Also referred to as the Legacy Funds. This is the name used to describe the portion of the sales and use tax that is dedicated for special uses in article 11, section 15 of the state constitution.
<b>SNA or Scientific and Natural Area</b>	Environment and Natural Resources	DNR preserves natural features and rare resources of exceptional scientific and educational value through land acquisition. These areas are open to the public for nature observation and education.
<b>Select Committee on Recycling and the Environment (SCORE)</b>	Environment and Natural Resources	In 1989, the Minnesota Legislature adopted comprehensive waste reduction and recycling legislation based on the recommendations of the SCORE. This set of laws, commonly referred to as SCORE, is a part of Minnesota's Waste Management Act (WMA). The SCORE legislation has provided

Term	Subject	Description/Definition
		counties with a funding source to develop effective waste reduction, recycling and solid waste management programs. The SCORE Report is an annual examination of Minnesota programs and data.
<b>Superfund</b>	Environment and Natural Resources	The state program that implements the efforts to prevent land pollution, and to conduct emergency cleanup and restorations of polluted lands.
<b>Sustainable Forest Resources Act</b>	Environment and Natural Resources	The state statutes, Minnesota Statutes, section 89A, that established the requirements and programs with the goal of maintaining the state forested areas.
<b>TMDL or Total Maximum Daily Loads</b>	Environment and Natural Resources	PCA – The federal Clean Water Act requires states to adopt water quality standards (TMDL) to protect the nation’s waters. TMDLs define how much of a pollutant can be in a surface and/or ground water while still allowing it to meet its designated uses.
<b>Wildlife Management Area (WMA)</b>	Environment and Natural Resources	DNR owns and operates public wildlife areas, which provide recreation for hundreds of thousands of upland, waterfowl, and deer hunters each year. 1.1 million acres of habitat provide for most of Minnesota’s game and nongame wildlife species.

## Health and Human Services

Term	Subject	Description/Definition
<b>1115 Waiver</b>	Health and Human Services	Section 1115 of the Social Security Act grants the U.S. Department Health and Human Services the authority to waive certain Medicaid laws to allow states flexibility in designing their Medicaid programs; these waivers are also known as research and demonstration waivers, including the new Health Insurance Flexibility and Accountability (HIFA) waiver. Minnesota pursued and received a waiver as part of the MinnesotaCare program, allowing the state to reduce expenditure growth, include both short- and long-term care in managed care delivery systems, eliminate barriers to health care access, and coordinate and integrate the delivery of services to those with special needs.
<b>1332 Waiver</b>	Health and Human Services	Section 1332 of the Affordable Care Act (ACA) that grants the U.S. Department Health and Human Services the authority to waive core requirements of the ACA to experiment with alternative methods of achieving the requirements. An innovation waiver plan must certify that it <ul style="list-style-type: none"> <li>• Is as comprehensive as the ACA.</li> <li>• Is as affordable as the ACA.</li> <li>• Covers as many people as would have been covered without the waiver.</li> <li>• Does not add to the federal deficit.</li> </ul>
<b>1915 (c) Waivers</b>	Health and Human Services	Section 1915 (c) of the Social Security Act refers to authority that allows the Centers for Medicare and Medicaid Services (CMS) to waive federal Medicaid requirements to allow states to experiment with providing health care services in home and community-based settings as opposed to institutional settings (e.g., hospitals, nursing homes). These waiver services, often referred to as home and community-based waivers, include day treatment, habilitation, supported employment, respite care, semi-independent living services, and adaptive equipment. Waivers may also allow reimbursement for services not usually covered by Medicaid but are provided to help an individual stay out of an institution.  <i>Home and community-based waiver categories are:</i>

Term	Subject	Description/Definition
		<ul style="list-style-type: none"> <li>• BI – Brain Injury (formerly Traumatic Brain Injury) – The BI waiver pays for health care for persons diagnosed with Brain Injuries who need nursing facility or neuro-behavioral hospital level of care.</li> <li>• CAC – Community Alternative Care – This waiver pays for health care of individuals who requires the level of care of a hospital due to chronic illness.</li> <li>• CADI – Community Alternatives for Disabled Individuals – CADI pays for health care of individuals who require the level of care of a nursing facility.</li> <li>• DD – Developmental Disabilities – The DD waiver pays for health care for individuals requiring a 24-hour plan of care and need the level of services provided in an ICF/DD.</li> <li>• EW – Elderly Waiver – The EW program provides a customized package of health care for individuals over 65 years of age who need the level of services provided by nursing facilities.</li> </ul>
<b>60-month time-limit</b>	Health and Human Services	The number of months that an individual may receive assistance from the federal TANF block grant in a lifetime. The limit is 60 total months no matter where the eligibility occurs.
<b>ABLE Account</b>	Health and Human Services	Tax advantaged investment account authorized under the 2014 federal Achieving a Better Life Experience Act. These accounts allow up to \$14,000 per year in contributions (from anyone) for the benefit of a disabled person (diagnosed prior to age 26). Account earnings are tax free and can be used for various qualified disability expenses. These accounts are also referred to as 529A accounts because they work the same way as a 529 college savings plan account.
<b>ACA – Affordable Care Act</b>	Health and Human Services	The name for the federal health care reform legislation passed in 2010. The act contains many regulation changes to the private insurance industry, as well as an expansion of the federal Medicaid program to include childless adults
<b>AC – Alternative Care</b>	Health and Human Services	A general fund program that pays for home and community-based services for elderly individuals who qualify for nursing home placement, cannot afford 135 days of nursing home care, choose to be served in the community, and no resources exist to pay for the community services.

Term	Subject	Description/Definition
<b>ACO – Accountable Care Organization</b>	Health and Human Services	Groups of health care professionals (doctors, hospitals, other groups) who come together to provide high quality, coordinated health care while controlling costs. Medicare has several ACO shared savings programs. Minnesota participates in the Medicaid ACO Demonstration project.
<b>ADL – Activities of Daily Living</b>	Health and Human Services	A reference to an index measuring a patient's degree of independence in bathing, dressing, using the toilet, cooking, eating, and moving about. The index is used to determine the level of care needed in a nursing home or other residential facility. Payment rates for some services are based on ADL's.
<b>Adolescent Parenting</b>	Health and Human Services	Created in 1997 to help combat the high dropout rate for adolescent parents, grants are awarded to programs that seek to prevent teen pregnancy, keep teen parents in school and link them with community resources. Beginning in FY 2002, this program is funded from within the Children's Trust Fund budget.
<b>Adoption Assistance</b>	Health and Human Services	This program, operated by the Department of Human Services, provides cash assistance to families who adopt children with special needs (as defined by the state) who are under state guardianship. (See: <a href="#">Northstar Care for Children</a> ).
<b>Area Agencies on Aging (Triple A's)</b>	Health and Human Services	Administer the federal Older Americans Act and state Aging Grants (through the Minnesota Board on Aging) that fund core services for elderly individuals that live at home including meals, chore services, medication management, transportation, caregiver support and legal services. The Triple A's also provide information and assistance to elderly individuals through the Senior Linkage Line.
<b>At-Home Infant Care (AHIC)</b>	Health and Human Services	A family eligible to receive assistance under the Basic Sliding Fee child care program may also be eligible for At Home Infant Care Assistance. A family in which a parent provides care for the family's infant child may receive a subsidy in lieu of assistance if the family is eligible for, or receiving assistance under the basic sliding fee program. A family is limited to 12 months of assistance. The maximum reimbursement rate to the participating AHIC family is equal to 75 percent of the rate established in the applicant's county of residence.
<b>AWP, Average Wholesale Price</b>	Health and Human Services	The cost factor used in determining reimbursement rates for pharmacy claims.

Term	Subject	Description/Definition
<b>Basic Sliding Fee (BSF) Child Care</b>	Health and Human Services	A state subsidized child care assistance program for low-income families not enrolled in MFIP or Transition Year Child Care Assistance. Funding for this program is allocated to counties on a calendar year cycle. Counties are required to contribute a fixed minimum direct service match and in many cases choose to contribute additional county funds.
<b>Basic Sliding Fee Transition Year (TY) Child Care</b>	Health and Human Services	Funds designated to provide uninterrupted child care assistance for families completing their transition year from the MFIP program. These funds assure that families completing their transition year will have a slot on the Basic Sliding Fee Child Care program and will not encounter a waiting list.
<b>CAA – Community Action Agency</b>	Health and Human Services	A community action agency is a political subdivision of the state, a combination of political subdivisions, a public agency, or a private non-profit agency that receives funds to support local programs that are designed to combat the effects of poverty.
<b>CAC</b>	Health and Human Services	Community Alternative Care - A federally matched, community-based MA waiver program that covers health care of individuals who requires the level of care of a hospital due to chronic illness.
<b>CADI</b>	Health and Human Services	Community Alternative for Disabled Individuals - A federally matched, community-based MA waiver program that covers non-institutional services for people with disabilities who are at risk of placement in a nursing facility.
<b>CAP – Community Action Program</b>	Health and Human Services	A community action program is a community based and operated program that provides a range of services and activities having a major impact on the causes of poverty in the community. Operated by community action agencies, community action programs are also designed to achieve increased self-sufficiency and greater participation in the affairs of the community.
<b>Capitation</b>	Health and Human Services	A method of payment for health services in which an individual or institutional provider is paid a fixed amount for each person served, without regard to the actual number or nature of services provided in a set period of time. HMOs characteristically use this payment method.

Term	Subject	Description/Definition
<b>Carve Out</b>	Health and Human Services	An arrangement whereby specific services are eliminated from health insurance coverage under a capped rate. The carved-out services may then be obtained on a fee-for-service basis.
<b>Case Management</b>	Health and Human Services	The planning, referral, monitoring, and coordination of services provided to clients with complex needs and services.
<b>CBHH – Community Behavioral Health Hospitals</b>	Health and Human Services	16 bed inpatient acute psychiatric facilities. A part of State Operated Services.
<b>CCAP – Child Care Assistance Program</b>	Health and Human Services	A program to make quality child care available to income-eligible families. Qualifying families include those participating in the MFIP program; families who had an MFIP case close in the past 12 months; or families eligible for the BSF program.
<b>CCDF – Child Care Development Fund</b>	Health and Human Services	Federal block grant for child care. The CCDF has three components: discretionary, mandatory, and matching funds. Each component has separate requirements and Minnesota must comply with each component annually in order to leverage available federal block grant funding.
<b>CD</b>	Health and Human Services	Chemical Dependency – a condition related to frequent or repetitive use of alcohol or other drugs which adversely affects the health, interpersonal relationships, employment, or safety of the user or others.
<b>CDCS – Consumer-Directed Community Services</b>	Health and Human Services	An option for persons eligible for home and community based waivers (1915 (c) waivers) that allow the waiver recipient to have more direct control over the supports they receive and how those services are secured and purchased.
<b>CCDTF</b>	Health and Human Services	Consolidated Chemical Dependency Treatment Fund – An account in the special revenue fund that combines revenues from MA, General Assistance (GA), Regional Treatment Centers (RTC), and state and federal grants into one account that pays for CD treatment. Counties are given an allocation from which to pay for CD treatment of their residents.
<b>CFSS</b>	Health and Human Services	Community First Services and Supports – Self-directed home and community based service being developed for disabled persons living in community settings who need help with daily activities. When fully implemented this program will replace

Term	Subject	Description/Definition
		the current PCA and Consumer Support Grant programs. See: PCA.
<b>CHB</b>	Health and Human Services	Community Health Board – A local board of health established for better coordination of local health needs. CHBs must have jurisdiction over a minimum population and geographical area.
<b>Child Care Resource &amp; Referral (CCR&amp;R) Network</b>	Health and Human Services	Regional organizations that work with existing community based committees such as the interagency early intervention committees or neighborhood groups to advocate for child care needs in the community.
<b>Child Care Fund</b>	Health and Human Services	Funds designated to help low income families pay for child care so that parents may pursue employment or education and training leading to employment. The Child Care Fund is composed of appropriations from the State General Fund, the Child Support Special Revenue fund, and two federal funding sources--the Child Care and Development Fund (CCDF) and Temporary Assistance for Needy Families (TANF) block grant.
<b>Children's Trust Fund</b>	Health and Human Services	A resource for community-based child abuse and neglect prevention programs. The trust fund receives both state and federal appropriations, which are then granted to nonprofit and public agencies.
<b>CHIPS</b>	Health and Human Services	Children in Need of Protective Services – a minor child whom a court has found to be in need of protection or services because the child has been abandoned, abused, neglected or who meets one of the other criteria specified in Minnesota Statutes, section 260.015, subdivision 2a.
<b>CHS</b>	Health and Human Services	Community Health Services Act – legislation passed in 1976 to provide state subsidies to local government to perform core public health functions.
<b>CISN</b>	Health and Human Services	Community Integrated Service Network – a formal arrangement of physicians, hospitals, and other health care providers that provide a continuum of prepaid health services to a defined population of no more than 50,000 enrollees, including residents of other states.
<b>CMS</b>	Health and Human Services	Centers for Medicare and Medicaid Services (formerly HCFA) – The agency within the U.S. Department of Health and Human



Term	Subject	Description/Definition
		Services that administers the federal Medicaid and Medicare programs.
<b>Community Rating</b>	Health and Human Services	A method of calculating health plan premiums using the average cost of actual or anticipated health services for all enrollees within a specific area. Variances for different group characteristics such as age or sex are not allowed.
<b>Community Services Block Grant (CSBG)</b>	Health and Human Services	A federal block grant, under P.L. 97-35, that supports the infrastructure of community action agencies. Community action agency programs were established to help fight poverty by providing low-income Minnesota citizens with self-sufficiency skills and training.
<b>County-Based Purchasing</b>	Health and Human Services	An administrative option of the Prepaid Medical Assistance Program (PMAP) that allows counties to assume the responsibility for purchasing health services for eligible PMAP recipients.
<b>CPI-U</b>	Health and Human Services	Consumer Price Index-All Items (United States City Average) – An inflation adjustment index often used in rate-setting for human services programs.
<b>CSE</b>	Health and Human Services	Acronym for Child Support Enforcement.
<b>CSSA</b>	Health and Human Services	Community Social Services Act – M.S 256E specifies a planning process for the provision of social services administered by the boards of county commissioners under the supervision of the Commissioner of Human Services. The Legislature also provides a block grant to counties to assist in carrying out these services; this block grant is combined with the federal social services block grant (Title XX) to provide an important source of funding for counties.
<b>CTC</b>	Health and Human Services	Child and Teen Check-ups – Minnesota’s version of the Early and Periodic Screening, Diagnosis, and Treatment (EPSDT) program, which is mandated by federal Medicaid laws. CTC is a comprehensive health program for infants and children under age 21. The program is designed to identify potentially handicapping conditions, diagnose and treat specific medical conditions, and encourage the development of good health habits.

Term	Subject	Description/Definition
<b>DAC</b>	Health and Human Services	A dated reference for Development Achievement Centers, which are now called Day Training and Habilitation (DT&H) Centers.
<b>DD or Developmentally Disabled Individuals</b>	Health and Human Services	People diagnosed with mental retardation or a related condition (MR/RC) who have substantial functional limitations or deficits in adaptive behavior and who manifest these conditions before their twenty-second birthday.
<b>DHS</b>	Health and Human Services	Acronym for the Minnesota Department of Human Services.
<b>Disease Management</b>	Health and Human Services	A general term used for a range of medical case management services that assist clients with chronic conditions to make choices regarding their health care.
<b>DME</b>	Health and Human Services	Durable Medical Equipment – Prescribed medical equipment (e.g., wheelchair, hospital bed, respirator) that can be used for an extended period of time.
<b>DRG</b>	Health and Human Services	Diagnosis-Related Group – a classification of procedures used to sort hospital patients by discharge diagnosis into categories that are medically similar and have approximately equivalent lengths of stay. DRGs are used in determining MA and GAMC payment levels.
<b>DT&amp;H – Day Training and Habilitation</b>	Health and Human Services	Out-of-home, non-residential program services provided for six or more developmentally disabled individuals for part of a 24-hour day.
<b>Dual Eligibles</b>	Health and Human Services	Persons who are eligible to receive benefits from both Medicare and Medicaid.
<b>DWRS – Disability Waiver Rate Setting</b>	Health and Human Services	Statewide system for setting payment rates for various services provided to individuals enrolled in the state's Medicaid disability waivers. This replaced the previous county based rate system. There is a six year transition period to the new system during which most providers are “banded” to the historical rate structure and do not have their rates vary more than +/- 1 percent annually. A request for a seventh year of banding was enacted in 2017 and is currently waiting for federal approval/disapproval.

Term	Subject	Description/Definition
<b>EA – Emergency Assistance</b>	Health and Human Services	A program that provides cash assistance to help families respond to a crisis that could result in risking the health and safety of the children if immediate aid is not provided. This assistance is available once a year. This program was formerly known as AFDC-EA.
<b>Earned Income Disregard</b>	Health and Human Services	The percentage of an MFIP recipient’s monthly income that is excluded for purposes of calculating the recipient’s grant amount.
<b>EBT</b>	Health and Human Services	Electronic Benefits Transfer – An automated system that permits public assistance recipients to access cash benefits and food stamps through the use of a card similar to an ATM or debit card.
<b>EGA</b>	Health and Human Services	Money provided to eligible persons with a crisis situation that could result in severe hardship except for the provision of Emergency Assistance. Applicants must be eligible for GA.
<b>EMA – Emergency Medical Assistance</b>	Health and Human Services	State program for people who have an emergency medical condition, have an MA basis of eligibility, meet all other MA eligibility requirements including state residence but who do not qualify for MA because of immigration status.
<b>ENABL</b>	Health and Human Services	Education Now and Babies Later - A program designed to reduce adolescent pregnancy (targeted to teens aged 12-14) through prevention, community health promotion approach to educating, and supporting adolescents in the decision to postpone sexual involvement. State funding for this program was eliminated in the 2008 legislative session.
<b>Enhanced PMAP</b>	Health and Human Services	A term used to describe the greater or enhanced role of county boards in the transition to Prepaid Medical Assistance Program (PMAP) in their respective counties.
<b>EPSDT</b>	Health and Human Services	Early and Periodic Screening, Diagnosis, and Treatment, see <a href="#"><i>CTC, Child and Teen Checkups.</i></a>
<b>ERISA</b>	Health and Human Services	Employee Retirement Income Security Act – A 1974 federal law that preempts state regulation of self-funded health benefit plans.

<b>Term</b>	<b>Subject</b>	<b>Description/Definition</b>
<b>ESL</b>	Health and Human Services	English as a Second Language – Training services to help non-English speaking persons communicate in English.
<b>EW – Elderly Waiver</b>	Health and Human Services	A federally matched, community-based MA waiver program that provides a customized package of health care for individuals over 65 years of age who need the level of services provided by nursing facilities.
<b>Experience Rating</b>	Health and Human Services	A method of adjusting health plan premiums based on their historical utilization data and the distinguishing characteristics of a specific subscriber group.
<b>FAE</b>	Health and Human Services	Fetal Alcohol Effect – A controversial term used to describe a child who has been affected by alcohol but may not have all of the characteristics of FAS.
<b>FAIM</b>	Health and Human Services	Family Assets for Independence – A subsidized savings program designed to help working individuals with incomes at or below 200 percent of the federal poverty level to build assets and to develop positive financial management habits and skills in order to achieve long-term economic self-sufficiency.
<b>FAS</b>	Health and Human Services	Fetal Alcohol Syndrome – A medical diagnosis describing children who have been exposed to alcohol during fetal growth, characterized by (1) decreased height and weight; (2) unique facial features; and (3) damage to the brain and nervous system.
<b>FSC – Family Service Collaborative</b>	Health and Human Services	The five-year Family Service Collaborative program assisted local communities to work with children and families, by creating a client-centered, integrated, local service delivery system for children and their families. Each collaborative consisted of at least one school district, one county, one public health entity, and one community action agency.
<b>FFS – Fee-For-Service</b>	Health and Human Services	A method of purchasing health care services by which a physician or other practitioner charges separately for each patient encounter or service rendered, as opposed to the capitated method of payment.
<b>FFP</b>	Health and Human Services	Federal Financial Participation – Federal monies, matched by state and sometimes local monies, that are used to provide

Term	Subject	Description/Definition
		services to eligible individuals in federally authorized programs (e.g., AFDC and MA).
<b>FMAP</b>	Health and Human Services	Federal Medical Assistance Participation – The federal share of payments for eligible MA services. The share is also applied to MFIP and foster care maintenance reimbursements. The FMAP rate is based on a formula driven by each state's per capita income. Minnesota's FMAP share is generally around 50 percent.
<b>FPG</b>	Health and Human Services	Federal Poverty Guidelines, or FPL, Federal Poverty Limit – An index of poverty in the United States that is updated annually; the measure forms the basis of eligibility for a number of means-tested programs.
<b>Food Stamps</b>	Health and Human Services	See <a href="#">SNAP</a> .
<b>FSET</b>	Health and Human Services	Food Stamp Employment and Training Program – A federally-mandated program that provides employment and training services for able-bodied food stamp recipients between the ages of 18 and 55.
<b>FQHC's</b>	Health and Human Services	Federally Qualified Health Centers are private area clinics that are qualified to receive special subsidies due to a high proportion of underserved populations such as in poor, migrant or tribal areas.
<b>GA</b>	Health and Human Services	General Assistance – A state-funded program providing financial assistance to eligible people who are unable to provide for themselves.
<b>Gatekeeper</b>	Health and Human Services	The primary care doctor in a managed-care system who determines whether a patient needs to see a specialist or needs other non-routine services. The goal is to guide the patient to appropriate services while avoiding unnecessary and costly referrals to specialists.
<b>HCAF</b>	Health and Human Services	Health Care Access Fund – A special revenue fund that receives provider taxes, premium taxes, enrollee premiums and other revenue. This fund is the source of payments to providers of Minnesota Care services, administration of the MinnesotaCare programs, and activities related to health care access.

<b>Term</b>	<b>Subject</b>	<b>Description/Definition</b>
<b>HCBW</b>	Health and Human Services	Home and Community Based Waivers – See 1915 (c) waivers.
<b>HHS</b>	Health and Human Services	The U.S. Department of Health and Human Services.
<b>HIFA</b>	Health and Human Services	Health Insurance Flexibility and Accountability – A 1115 Medicaid waiver that uses a tiered strategy to allow Medicaid coverage for ineligible populations, provided that states increase their cost sharing and cap their enrollment.
<b>HMO</b>	Health and Human Services	Health Maintenance Organization – An organization that provides an agreed upon set of basic and supplemental health maintenance and treatment services to enrolled group members in a geographic area for a predetermined fixed price.
<b>HSA</b>	Health and Human Services	Health Savings Account – A tax-advantaged savings account that can be used to pay for medical and retiree health expenses incurred by individuals under age 65 and their families. Medicare beneficiaries (persons age 65 or older) are eligible to enroll in a similar product, known as a Medical Savings Account, through the Medicare program.
<b>Housing Support</b>	Health and Human Services	(formerly Group Residential Housing) – An income assistance program that pays the room and board expenses for low-income people who are aged, blind, or otherwise categorically eligible for GA, and who reside in a congregate residential housing setting.
<b>HUD</b>	Health and Human Services	The U.S. Department of Housing and Urban Development.
<b>HWS – Housing with Services</b>	Health and Human Services	A facility that provides sleeping accommodations for one or more adult residents (primarily over 55 years of age), and that offers regularly scheduled health-related or supportive services for a fee. This designation does not include nursing facilities, hospitals, boarding care homes, supervised living facilities, battered women’s shelters, family foster homes, and setting licensed under DHS rules 34, 35, 36, or 18.

Term	Subject	Description/Definition
<b>ICF/DD</b>	Health and Human Services	Intermediate Care Facility (for the Developmentally Disabled, formerly called ICF/MR) – A facility licensed by the Department of Human Services to provide health or rehabilitative services for mentally retarded individuals or persons with related conditions who require active treatment but not the level of services provided in a hospital or nursing home.
<b>IDA – Individual Development Accounts</b>	Health and Human Services	A federal initiative that enables low-income families to build assets and save money for economic self-sufficiency. Use of savings accrued in IDA's is limited to postsecondary education related expenses and training, business development and home ownership. In Minnesota, the family assets for independence program ( <a href="#">FAIM</a> ) is modeled after that the federal IDA initiative.
<b>IHP</b>	Health and Human Services	Individual Habilitation Plan – A detailed plan developed at the county level for persons receiving services for mental retardation or a related condition. Using the information from the client's Individual Program Plan (IPP), an IHP identifies short-term objectives related to a client's long-term goals and the methods for achieving the objectives.
<b>IMD</b>	Health and Human Services	Institutions for Mental Diseases – A hospital, nursing facility, or other institution of more than 16 beds, that is primarily engaged in providing diagnosis, treatment, or care of persons aged 18-65 years with mental diseases, including medical attention, nursing care, and other services. IMD's are not eligible for MA funding.
<b>Indemnity</b>	Health and Human Services	Health insurance benefits provided in the form of cash payments rather than services. An indemnity insurance contract usually defines the maximum amounts that will be paid for covered services.
<b>Insurance Exchange</b>	Health and Human Services	States are required by federal law to establish a health insurance exchange or use the federal exchange as a marketplace for health insurance. The exchange will provide access to many private products as well as a federally subsidized low cost plan for persons with limited income. See: MNsure.
<b>IPP</b>	Health and Human Services	Individual Program Plan - A detailed plan developed at the county level for persons receiving services for mental retardation or a related condition. An IPP precedes an

Term	Subject	Description/Definition
		individual habilitation plan (IHP) and includes assessments, diagnosis, needed services and annual, long-term goals.
<b>ITP</b>	Health and Human Services	Individual Treatment Plan – A plan of intervention, treatment, and services for a person with mental illness developed by a service provider under the clinical supervision of mental health professional on the basis of a diagnostic assessment. The plan identifies goals and objectives of treatment, treatment strategy, a schedule for accomplishing the goals and the individual responsible for providing treatment to the person.
<b>LTC</b>	Health and Human Services	Long Term Care – A term that generally refers to facilities for persons who are elderly, physically handicapped, or developmentally disabled and expected to need care for an extensive period of time. The facilities provide a range of medical and supportive services, most of which are paid for by MA.
<b>MA</b>	Health and Human Services	Medical Assistance – MA is a federal/state-funded, state-operated and administered program that provides medical benefits for certain low-income individuals. MA is Minnesota's version of the federal Medicaid program.
<b>MAXIS</b>	Health and Human Services	A computer system that tracks and makes payments for public assistance benefits for Minnesota Family Investment Program (MFIP), Medical Assistance (MA), General Assistance (GA), Food Stamps, and Minnesota Supplemental Aid (MSA) programs.
<b>MCHA</b>	Health and Human Services	Minnesota Comprehensive Health Association – Entity that previously operated the state high risk insurance pool. Currently, MCHA operates the <a href="#">Minnesota Premium Security Plan</a> .
<b>MDH</b>	Health and Human Services	Acronym for Minnesota Department of Health.
<b>MEOG</b>	Health and Human Services	Minnesota Economic Opportunity Grants – A program serving economically disadvantaged households with a variety of services provided locally and designed to combat the effects of poverty. MEOG funds plus federal Community Services Block Grant (CSBG) funds support Minnesota's network of 40 Community Action Agencies (CAAs).



<b>Term</b>	<b>Subject</b>	<b>Description/Definition</b>
<b>MERC</b>	Health and Human Services	Medical Education and Research Costs – A pool of funds used to supplement medical education and research activities supported by diminishing patient care revenues in an increasingly competitive health care market.
<b>METO</b>	Health and Human Services	Minnesota Extended Treatment Options – A program that provides secure treatment beds for people with mental retardation who exhibit severe behaviors that present a risk to public safety. Now closed under the terms of the Jensen Settlement.
<b>MFIP</b>	Health and Human Services	A program that redesigned public assistance by consolidating benefits (former AFDC, former Family General Assistance, and Food Stamps) by streamlining requirements and providing incentives for recipients to work, remain employed, and move off public assistance. The program took effect on January 1, 1998.
<b>Minnesota Accountable Health Model</b>	Health and Human Services	Name for Minnesota’s State Innovation Model (SIM) program. The program tests service delivery and, payment reforms to improve cost and quality of health care programs.
<b>Minnesota Premium Security Plan</b>	Health and Human Services	Also known as reinsurance. This program provides secondary insurance to health plans to help stabilize rates by paying a portion of the cost for individuals with significant health care costs.
<b>MI</b>	Health and Human Services	Mental Illness – All forms of illness in which psychological, emotional, or behavioral disturbances are the dominating feature. MI often seriously limits a person’s capacity to function in primary aspects of daily living such as relationships, living arrangements, work, and recreation. The term is relative and variable in different cultures, schools of thought, and definitions.
<b>MMIS II</b>	Health and Human Services	Medicaid Management Information System – The information system used by the medical assistance program that processes provider invoices, edits for recipient and service eligibility, pays allowed charges, and provides recipient’s payment history.
<b>MNCare</b>	Health and Human Services	MinnesotaCare – A state program that provides subsidized health care coverage to low and moderate-income families and individuals.

Term	Subject	Description/Definition
<b>MNsure</b>	Health and Human Services	Minnesota's state operated health insurance exchange.
<b>MOE</b>	Health and Human Services	Maintenance of effort – A specified amount of money the state (or county) is required to spend in order to continue receiving funding from the federal (or state) government. It is designed to assure that the state (or county) does not reduce its level of commitment to a program when additional funds become available from other sources.
<b>MSA</b>	Health and Human Services	Medical Savings Account – An option for eligible Medicare recipients whereby the beneficiary chooses a health insurance policy with a high deductible, Medicare pays the premium for the policy and makes a deposit into a savings account that is established by the beneficiary. The beneficiary uses the money in the account to pay for services provided before the deductible is met and for other services not covered by the MSA Plan.
<b>MSA</b>	Health and Human Services	Minnesota Supplemental Aid – A state program that provides financial assistance to elderly, blind, and disabled recipients of SSI. In some cases, the assistance is a supplemental cash grant; in others, it is in the form of payment to a provider of residential services where the recipient lives.
<b>MSHO</b>	Health and Human Services	Minnesota Senior Health Options – A demonstration project within PMAP that integrates the purchase of health care for seniors age 65 or older who are eligible for Medicare and MA. Enrollees are eligible to receive services under PMAP and Parts A and B of the Medicare program.
<b>MSOP</b>	Health and Human Services	Minnesota Sex Offenders Program – A series of forensic treatment services provided to people who have been committed by the Minnesota court system as sexually dangerous persons (SDP) or sexual psychopathic personalities (SPP). These services are the responsibility of State-Operated Services, a division of the Department of Human Services.
<b>NF</b>	Health and Human Services	Nursing Facility or Skilled Nursing Facility (SNF) - A nursing home, certified by the State Department of Health, which must meet MA and Medicare provider requirements related to service, staffing, and safety.

Term	Subject	Description/Definition
<b>Northstar Care for Children</b>	Health and Human Services	State program that includes adoption assistance, kinship assistance and child foster care programs.
<b>Olmstead</b>	Health and Human Services	Decision by the U.S. Supreme Court concerning rights of persons with disabilities. Olmstead requires that public entities must administer programs “in the most integrated setting appropriate to the needs of qualified persons with disabilities.” States are required to have an “Olmstead Plan” covering the provision of services to disabled persons.
<b>PA</b>	Health and Human Services	Prior Authorization – The review and authorization of MA and GAMC payment for certain restricted health care services, prior to the services being provided.
<b>PAS</b>	Health and Human Services	Pre-admission Screening – A program that screens all applicants to Medicaid-certified nursing facilities and boarding care facilities prior to admission. The program is designed to reduce or delay nursing facility placements by assessing the health care needs of applicants and residents of nursing facilities and offering cost-effective, community-based alternatives appropriate for the person’s needs.
<b>PCA</b>	Health and Human Services	Personal Care Assistant – A person who assists sick or disabled individuals in their home with tasks of daily living including cooking, bathing, and shopping. See also: Community First Services and Supports.
<b>PMAP</b>	Health and Human Services	Prepaid Medical Assistance Program – An alternative to the fee-for-service (see <a href="#">FFS</a> ) method of purchasing health care for public assistance clients (families and children, elderly public assistance); prepayment to the health plans contracting with the state to provide all the health care services required by law for eligible persons.
<b>PPO</b>	Health and Human Services	Preferred Provider Organization – A formally organized entity usually consisting of hospitals and physician providers. PPOs provide health care services to purchasers usually based on discounted rates in return for expedited claims processing and a predictable volume of the health care market.
<b>PPS</b>	Health and Human Services	Prospective Payment System – A payment system, usually associated with Medicare, in which payments are paid under a fixed fee schedule and are not retroactively settled based on actual costs incurred.

Term	Subject	Description/Definition
<b>Premium Tax</b>	Health and Human Services	A one percent tax is imposed on the gross premium receipts of non-profit health plan companies and a two-percent tax is imposed on for-profit insurance companies. The revenue generated from the one-percent tax on non-profit companies is deposited into the Health Care Access Fund (HCAF) and the revenue generated from the two-percent tax on for-profit companies is deposited into the general fund.
<b>Prescription Drug Program (PDP)</b>	Health and Human Services	A state-funded program that provides prescription drug coverage for low-income seniors age 65 or older with limited assets. Changes in this program are anticipated with the advent of the federal Medicare Discount Drug Card (June 2004 to December 2005) and the federal Medicare Part D Prescription Drug Benefit (beginning January 2006).
<b>PRISM</b>	Health and Human Services	Providing Resources to Improve Support in Minnesota – The automated statewide child support system.
<b>Provider Tax</b>	Health and Human Services	A 1.8 percent tax imposed on the providers of health care services for payments received for such services. All revenue generated by the provider tax is deposited into the Health Care Access Fund (HCAF).
<b>PRWORA</b>	Health and Human Services	Personal Responsibility and Work Opportunity Reconciliation Act - the federal <i>Welfare Reform Act of 1996</i> , Public Law Number 104-193. This law replaced the old Aid to Families with Dependent Children program (AFDC) with the current Temporary Assistance for Needy Families program (TANF).
<b>QI</b>	Health and Human Services	Qualified Individual - An elderly person entitled to Medicare Part A (Hospital Insurance), whose income is greater than 120 percent of FPG but less than 175 percent of FPG, and whose assets are below two times the SSI asset limit. Subject to available funding, this new eligibility category will pay all of the Part B (Medical Insurance) premiums for Medicare recipients whose income is greater than 120 percent of FPG but less than 135 percent of FPG and/or part of the Part B premiums if income is greater than 135 percent of FPG but less than 175 percent of FPG.
<b>QMB</b>	Health and Human Services	Qualified Medicare Beneficiary – An elderly person entitled to Medicare Part A, whose income is at or below 100 percent of FPG, and whose assets are below two times the SSI asset limit. This category of eligibility allows MA to pay the out-of-pocket

Term	Subject	Description/Definition
		Medicare costs of a recipient (e.g., coinsurance, deductibles) and the monthly Part B premiums for Medicare recipients. QMBs, SLMBs, and QIs are often referred to as dual-eligibles since they are eligible for both MA and Medicare.
<b>RTC</b>	Health and Human Services	Regional Treatment Center – State residential institutions that provide 24-hour care and treatment for people with mental illnesses, chemical dependencies, traumatic brain injuries, sexual psychopathic personalities, and behavioral problems who are elderly. Formerly known as <i>state hospitals</i> .
<b>Rule 25</b>	Health and Human Services	Also called a chemical use assessment. Process that assesses an individual's chemical use and places them in one of four categories of dependency. All counties and tribal governments, as well as health plans serving Medical Assistance or MinnesotaCare clients must provide assessments.
<b>Rule 50</b>	Health and Human Services	The cost-based, rate-setting payment system used to reimburse nursing facilities for MA. The other rate-setting methodology is the Alternative Payment System (APS).
<b>Safety Net</b>	Health and Human Services	Term used to describe the nation's system of providing health care to low-income and other vulnerable populations, including the uninsured and Medicaid recipients. Many providers have either a legal mandate or an explicit policy to provide services regardless of a patient's ability to pay. See also uncompensated care.
<b>SCHIP</b>	Health and Human Services	State Children's Health Insurance Program. See Social Security Act, Title XXI.
<b>SCHSAC</b>	Health and Human Services	State Community Health Services Advisory Committee - This entity is responsible for providing advice and counsel to the Commissioner of Health on issues related to the development, funding and evaluation of community health services.
<b>Senior Drug Program</b>	Health and Human Services	See Prescription Drug Program.
<b>Senior Linkage Line</b>	Health and Human Services	A toll free number (1-800 333-2433) that seniors may call to find all the services available to them in Minnesota.

Term	Subject	Description/Definition
<b>SHIP</b>	Health and Human Services	Statewide Health Improvement Program. Statewide program providing grants to community health boards to help improve citizen's long-term health. Strategies focus on issues such as tobacco use, exercise, nutrition and weight management.
<b>SILS</b>	Health and Human Services	Semi-Independent Living Services – Services provided to adults with developmental disabilities that are designed to allow the individuals served to maintain and improve their capability to live in the community. Services include training and assistance in managing money, preparing meals, shopping, and maintaining personal care.
<b>SIM – State Innovation Model</b>	Health and Human Services	Program run through the Centers for Medicare and Medicaid Services Innovation Center. This program provides grants for states to test new approaches for service delivery and payment models. Minnesota received a \$45.2 million grant in 2013, See <a href="#">Minnesota Accountable Health Model</a> .
<b>Sliding Fee Scale</b>	Health and Human Services	A family's monthly parent fee for basic sliding fee child care services. Parent fees are established in rule and must provide for graduated movement to full payment.
<b>SLMB</b>	Health and Human Services	Specified Low-income Medicare Beneficiary - An elderly person entitled to Medicare Part A, whose income is greater than 100 percent of FPG but less than 120 percent of FPG, and whose assets are below two times the SSI asset limit. This category of eligibility allows MA to pay the monthly Part B premiums for Medicare recipients.
<b>SNAP</b>	Health and Human Services	<p>Supplemental Nutrition Assistance Program (formerly known as food stamps) - Benefits issued through paper coupons or electronic means that are used to purchase food and food products in approved stores. The program is administered by the U.S. Department of Agriculture (USDA) at the federal level and by county social services agencies at the local level.</p> <p>Social Security Act – The federal act that provides a variety of funding and program titles that affect human services:</p> <ul style="list-style-type: none"> <li>• Title I – Grants to States for Old-Age Assistance for the Aged.</li> <li>• Title IV - A – Temporary Assistance for Needy Families (TANF) block grant.</li> </ul>

Term	Subject	Description/Definition
		<ul style="list-style-type: none"> <li>• Title IV - B – Child welfare services and funding in the form of a block grant.</li> <li>• Title IV - D – Child Support.</li> <li>• Title IV - E – Foster care, training, and related case management requirements and funding. Also pays for out-of-home placement costs for eligible children.</li> <li>• Title V – Maternal and Child Health Services Block Grant.</li> <li>• Title X – Grants to States for Aid to the Blind.</li> <li>• Title XI – Demonstration Grants - used to fund demonstration projects to prove the feasibility of a social services program or service before it is fully funded.</li> <li>• Title XIV – Grants to States for Aid to the Permanently and Totally Disabled.</li> <li>• Title XVI-A – Grants to States for to the Aged, Blind, or Disabled.</li> <li>• Title XVI-B – Supplemental Security Income for the Aged, Blind, and Disabled.</li> <li>• Title XVIII – Medicare, provides payment of needed medical care for persons age 65 and older.</li> <li>• Title XIX – Medicaid Program (Medical Assistance in Minnesota).</li> <li>• Title XX – Grants to States for Social Services. Also referred to as the Social Services Block Grant or SSBG.</li> <li>• Title XXI – State Children’s Health Insurance Program (SCHIP) provides enhanced federal funding to states that expand health insurance coverage for children.</li> </ul>
<b>SOCS</b>	Health and Human Services	State Operated Community-based Services - Program services to persons with developmental disabilities who reside in ICF/MR facilities with fewer than six beds. These services include but are not limited to community group homes, foster care, supportive living services, day training and habilitation, respite care, and crisis services.
<b>SSIS</b>	Health and Human Services	Social Services Information System - A personal computer-based information system in development that will provide uniform access to data and social services information.

Term	Subject	Description/Definition
<b>Spend down</b>	Health and Human Services	A process by which individuals with high levels of out-of-pocket medical expenses and income that exceeds the Medical Assistance income standard can qualify for medical benefits. In essence, individuals “spend down” their income to the MA eligibility standard. An individual’s spend down amount is the difference between the individual’s income and the income level for the program.
<b>TANF</b>	Health and Human Services	Temporary Assistance for Needy Families – The federal welfare program (formerly known as AFDC) that provides assistance for eligible low-income families and individuals. Minnesota’s TANF program is known as MFIP. It is funded jointly with federal TANF block grant monies and state general fund monies. County dollars are also used to fund the TANF program.
<b>TANF/ Minnesota Family Investment Program (MFIP) Child Care</b>	Health and Human Services	TANF/MFIP Child Care helps cash assistance families and families moving off of cash assistance (Transition Year Families) pay for child care while participating in authorized activities. Families who are employed or pursuing employment, or are participating in employment and training activities authorized in an approved employment service plan, or employed families who are in their transition year are eligible to receive cash assistance. MFIP Child Care is available as a forecasted program without an allocation ceiling. Counties are reimbursed, from state and federal funds, for 100 percent of their expenditures
<b>TANF Reserve Account</b>	Health and Human Services	An account in the U.S. Treasury that contains unobligated federal funds that are to be used for MFIP-S or related initiatives.
<b>TBI</b>	Health and Human Services	Traumatic Brain Injury – Individuals with deficits in adaptive behavior or substantial functional limitations caused by injury to the brain. The TBI waiver is a federally matched, community-based waiver to the Medical Assistance program that covers services for people with traumatic brain injury who are at risk of placement in a nursing facility or neurobehavioral hospital.
<b>TEFRA</b>	Health and Human Services	<i>Tax Equity and Fiscal Responsibility Act</i> – The 1982 federal law that authorized MA eligibility for children with disabilities, regardless of their parents’ income, to enable them to receive



<b>Term</b>	<b>Subject</b>	<b>Description/Definition</b>
		services in their own homes, instead of having to be institutionalized.
<b>TPR</b>	Health and Human Services	Termination of Parental Rights – The process under Minnesota Statutes, Section 260.221 by which a parent’s rights to his or her child are legally ended. Parental rights must be terminated, before a child is available for adoption.
<b>Transitional standard</b>	Health and Human Services	The basic level of assistance for a family on MFIP-S with no earned income. The amount of assistance, which is made up of cash and food assistance, varies by family size.
<b>Uncompensated Care</b>	Health and Human Services	Health care provided without payment from a patient or third-party payer. Includes charity care and care for people who are unwilling or unable to pay their bills.
<b>UPL – Upper Payment Limit</b>	Health and Human Services	The maximum amount of Medicaid paid to a nursing home for services, which is governed by the rate charged by Medicare.
<b>USDA – U.S. Department of Agriculture</b>	Health and Human Services	The federal agency responsible for the food stamp and WIC programs.
<b>WIC</b>	Health and Human Services	Women, Infants and Children – A program that provides supplemental foods, nutritional counseling, and health screening for low-income, high-risk pregnant, breast-feeding, and post-partum women, infants, and children under the age of five.

## Higher Education

Term	Subject	Description/Definition
<b>Achieve</b>	Higher Education	Grant program which paid college students up to \$1,200 for having taken a “rigorous” program of courses in high school. To qualify students must be from families with income of \$75,000 or less, take courses outlined by a similar federal program (basically the state high school graduation requirements plus a language) and have a C average or better. Funding for this program was eliminated at the beginning of the 2011-12 award year.
<b>Allocation Model</b>	Higher Education	MnSCU system methodology for distribution of state appropriations to campuses.
<b>Board of Trustees of Minnesota State Colleges and Universities</b>	Higher Education	Board that has governance authority over the State Universities, Community Colleges and Technical Colleges after the formal merging of these three systems on July 1, 1995. Members of the Board of Trustees are appointed by the governor.
<b>Board of Regents</b>	Higher Education	Board that has governance authority over the University of Minnesota. Both houses of the legislature meeting in joint convention elect the members of the Board of Regents. Candidates are screened and interviewed by the Regent Candidate Advisory Council (RCAC) prior to the joint convention.
<b>Campus Compact</b>	Higher Education	Organization that promotes service-learning opportunities for college students.
<b>College in the Schools</b>	Higher Education	K-12 students taking college courses in secondary settings. Typically, K-12 instructors teach the classes and are given curriculum training under contract from a college or university.
<b>Concurrent Enrollment</b>	Higher Education	Umbrella term for programs where secondary students take courses for both secondary and post-secondary credit. (See College in the Schools and PSEO.)
<b>Design for Shared Responsibility</b>	Higher Education	Defines how state financial aid is allocated to Minnesota undergraduate students. This policy distributes the responsibility for paying the cost of attending college among the student, the student’s family, and the state and federal governments. Shared Responsibility expects the student to finance a specific percentage of the cost; the family is expected to pay the other portion. In general, grant aid from the federal and/or state government applies to the family share and loans or work study applies to the student share.

<b>Term</b>	<b>Subject</b>	<b>Description/Definition</b>
<b>Expected Family Contribution</b>	Higher Education	Amount which students and their families are expected to be able to contribute to the cost of higher education as calculated by the Federal Needs Analysis. The “neediest” students in the analysis have zero EFC.
<b>FAFSA – Free Application for Federal Financial Aid</b>	Higher Education	Federal form that provides financial information to complete the Federal Needs Analysis (see below) when applying for financial aid. Submitting this completed form with a copy of current tax information is a prerequisite for all state and federal need-based aid.
<b>Federal Needs Analysis</b>	Higher Education	Federal methodology used to assess a student’s eligibility for both state and federal need-based financial aid programs. Financial information about the student and/or family and the student cost of attendance are used to determine the student’s financial need.
<b>FYE, Full Year Equivalents</b>	Higher Education	A measure of enrollment equating total credit-based enrollment (including full and part time students) to the equivalent number of full-time students. Calculated by taking total credit hours generated and dividing by 45.
<b>HEFA, Higher Education Facilities Authority</b>	Higher Education	Statutory entity that assists (primarily private) colleges with financing of capitol projects. The Authority is empowered to issue revenue bonds and has a limit of \$1.3 billion in total outstanding principal. The Authority does not receive any funding from the state.
<b>ICAP– Intervention for College Attendance Grants</b>	Higher Education	Program that educates students and families in grades 6 through 12 and historically underrepresented college students about the importance of the academic preparation and financial planning needed for college attendance.
<b>LME – Living and Miscellaneous Expense Allowance</b>	Higher Education	Figure set in law which is added to tuition to determine the maximum amount a student can receive from the State Grant Program. As the name implies, this figure is meant to represent the non-tuition related costs of a college education.
<b>Minnesota College Savings Plan</b>	Higher Education	Also known as the 529 plan, it was created and authorized by the Internal Revenue Code but is administered and sponsored by each participating state. The Minnesota Office of Higher Education administers the plan and helps families set up state managed, tax deferred savings accounts for educational expenses. Until June 2011, contributions were matched by the state up to a maximum \$300 annual benefit. Families with incomes under \$50,000 received a 15 percent match; families with incomes between \$50,000 and \$80,000 received a 5

Term	Subject	Description/Definition
		percent match. Minnesota continues to participate in the 529 plan, but without the matching grant portion.
<b>OHE, Office of Higher Education</b>	Higher Education	State agency that is responsible for administering state financial aid programs and collecting statewide data on enrollments and aid distribution.
<b>PELL Grant Program</b>	Higher Education	Main federal need-based financial aid program. Grants range from \$555 to \$5,550 annually for each student and apply to undergraduate studies only.
<b>Perkins Loan</b>	Higher Education	Major supplemental federal loan program. Provides long term, low interest loans to undergraduate and graduate students. Students must show need (see Federal Needs Analysis). Undergraduates may borrow \$5,500 annually up to \$27,500 in total; graduates may borrow \$8,000 annually up to \$60,000 in total.
<b>PSEO, Postsecondary Enrollment Options</b>	Higher Education	State program that allows high school juniors and seniors to enroll in postsecondary courses. These students are accepted on a space available basis.
<b>Reciprocity</b>	Higher Education	Agreements that Minnesota has with other states and provinces that allow students to attend colleges in those areas at lower than nonresident cost and vice versa. The agreements vary by state as to scope and cost, but most include a provision for equalization payments between states based on enrollment volume.
<b>SELF-Loan – Student Educational Loan Fund</b>	Higher Education	State run revolving loan fund. Loans are not need-based but require a credit worthy co-signer (usually a parent). Interest on SELF-loans is not deferred but must be paid quarterly while the student is in school. Undergraduates may borrow \$10,000 annually up to \$50,000 in total. Graduate-level students may borrow \$10,000 annually up to \$70,000 total in cumulative undergraduate and graduate loans. Students in other programs may borrow \$7,500 each year with a maximum loan amount of \$37,500.
<b>Series EE U.S. Savings Bonds</b>	Higher Education	Federally issued savings bonds. Bonds are available in small denominations and purchase methods such as payroll deduction are available. Interest on EE bonds is state and federal tax exempt when used for educational purposes.
<b>Stafford Loan Program</b>	Higher Education	Federal loan program that includes both need-based, subsidized loans and non need-based, unsubsidized loans for undergraduate, graduate and professional students. Both

Term	Subject	Description/Definition
		programs are traditional college loan programs handled through private lenders since 1994. However, both programs are also available at some schools as Federal Direct Student Loans where the U.S. Department of Education is the lender. Annual loan amounts and aggregate limits vary by year in school and dependency status.
<b>State Higher Education Spending</b>	Higher Education	Equals appropriations plus tuition. Tuition money is not directly appropriated. Higher education systems set tuition rates and collect and retain the revenue based on either Statutory or Constitutional authority.
<b>State Grant Program</b>	Higher Education	Main state need-based financial aid program. This program works in conjunction with the federal PELL program to provide grants to students with assessed need (see Federal Needs Analysis and Design for Shared Responsibility). After the amount of total grant aid that a student is eligible for is determined any PELL grant which a student will receive is deducted and the remainder is the amount of the State Grant.
<b>Tuition Maximum</b>	Higher Education	Limit established in law to set the maximum amount of tuition which can be recognized in the State Grant Program. There are separate maximums established for two-year programs and four-year programs.
<b>Work-study</b>	Higher Education	Need-based financial aid program which subsidizes the wages of student workers.

## Housing

Term	Subject	Description/Definition
<b>Affordable Housing Plan</b>	Housing	The Minnesota Housing Finance Agency's annual business plan for carrying out its mission and goals.
<b>Amortization</b>	Housing	Repayment of a mortgage loan by installments. Repayment installments include both the principal and interest of the loan.
<b>ARIF, or MARIF, for (Minnesota Families) Affordable Rental Investment Fund Program (Preservation)</b>	Housing	A Minnesota Housing Finance Agency (MHFA) program that seeks to preserve the stock of federally assisted rental housing that is in danger of being lost due to opt-outs for market reasons and/or physical deterioration.
<b>Bridges Program</b>	Housing	Term used as short reference for the Rent Assistance for Persons with Mental Illness Program. The program provides temporary rental housing payment assistance on behalf of income-eligible households in which at least one adult member has a serious and persistent mental illness. The assistance is intended to stabilize the household until a Section 8 certificate voucher becomes available.
<b>CDBG – Community Development Block Grant</b>	Housing	A federal entitlement program first authorized in 1974 and administered by the U.S. Department of Housing and Urban Development (HUD). Local governments automatically receive a portion of these funds. They can participate in the CDBG entitlement program, in which HUD allocates grants, or the Small Cities CDBG program, in which states award grants. Grant amounts are determined by a formula based on the community's populations, population growth lag, the number of persons in poverty, the extent of overcrowded housing and the amount of housing built prior to 1940. These funds are for improving communities by providing decent housing and suitable living environment, and expanding economic opportunities, principally for persons with low and moderate incomes.
<b>Challenge Program</b>	Housing	Often used short reference for the Economic Development and Housing Challenge Program. The program funds a wide array of development and redevelopment activities, including construction, acquisition, and rehabilitation of both rental housing and homes for ownership. Assistance is provided in the form of no-interest, deferred loans and grants to local governments, and for-profit and non-profit developers.
<b>Community Land Trust</b>	Housing	A community land trust must have as one of its purposes the holding of land and the leasing of land for the purpose of

Term	Subject	Description/Definition
		preserving the affordability of housing on that land for persons and families of low and moderate income.
<b>Equity</b>	Housing	The difference between the fair market value of the property and the amount still owed on its mortgage.
<b>Equity Take-Out Loans</b>	Housing	Minnesota Housing Finance Agency (MHFA) loans offered as an incentive to keep owners of federal assisted properties from prepaying their mortgage and discontinuing participation in federal affordable housing program. Equity take-out loans are frequently used for rehabilitation of rental housing property. The agency may make equity take-out loans on all federally assisted properties including properties where the agency does not hold the first mortgage.
<b>FMR – Fair Market Rent</b>	Housing	An amount determined by HUD to be a fair amount on which to base its subsidy contribution. The amount determined by HUD to be fair is derived from a survey of privately owned, safe, non-luxury rental units to find out what it costs to rent in the area. The FMR is set as a percentile of rents reported in the survey. This percentile is used to figure out how much to reimburse private property owners who rent to families or individuals with Section 8.
<b>Fannie Mae</b>	Housing	A congressionally chartered, shareholder-owned corporation that supplies mortgage funds to homebuyers and investors.
<b>FHA mortgage</b>	Housing	A mortgage that is insured by the Federal Housing Administration (FHA).
<b>FHA</b>	Housing	Acronym for Federal Housing Administration.
<b>Housing Development Fund</b>	Housing	A revolving fund under the control and jurisdiction of the Minnesota Housing Finance Agency (MHFA). Moneys deposited into the revolving fund include: (1) moneys appropriated and made available by the state for the purposes of the fund; (2) moneys which MHFA receives in repayment of advances made from the fund; (3) other moneys which may be made available to MHFA for purposes of the fund from any other source or sources; (4) all fees and charges collected by MHFA; and (5) all interest income or other income not required by the provisions of a resolution or indenture securing notes or bonds to be paid into another special fund.
<b>Housing Infrastructure Bonds</b>	Housing	Bonds that the agency can issue to fund loans to finance the costs of construction, acquisition, and rehabilitation of housing

Term	Subject	Description/Definition
		and property that serves low-income or otherwise eligible residents.
<b>Housing Trust Fund Program</b>	Housing	The largest of MHFA's supportive housing programs, this program provides zero percent interest deferred loans for financing affordable permanent and supportive rental housing and limited equity cooperative housing for very low-income household. The program also provides operating grants and loans.
<b>HRA</b>	Housing	Acronym for the Housing and Redevelopment Authority.
<b>HUD</b>	Housing	Acronym for the federal Department of Housing and Urban Development.
<b>MHFA</b>	Housing	Acronym for Minnesota Housing Finance Agency.
<b>PHA, Public Housing Agency</b>	Housing	Cities with public housing will have a public housing agency to manage and operate the building. Public housing is usually federally built and locally owned.
<b>RHS – Rural Housing Service</b>	Housing	An agency within the U.S. Department of Agriculture, which operates under the Consolidated Farm and Rural Development Act of 1921 and Title V of the Housing Act of 1949, that provides financing to farmers and other qualified borrowers buying property in rural areas who are unable to obtain loans elsewhere.
<b>Section 8</b>	Housing	A federal rental assistance program that allows participants with low income to pay 30 percent of their income for rent. The Section 8 program subsidizes the remaining rent.
<b>Single-Family Mortgage Bonds</b>	Housing	Bonds that the agency may issue to finance loans for the purchase of new or existing single-family housing.



## Public Safety and Judiciary

Term	Subject	Description/Definition
<b>American Correctional Association (ACA)</b>	Public Safety and Judiciary	This association sets standards and accredits correctional institutions. All of the Department of Correction facilities are accredited.
<b>Bed Impact</b>	Public Safety and Judiciary	Change in the number of prison beds based on proposed legislation. This term is mainly found in fiscal notes.
<b>Bureau of Criminal Apprehension (BCA)</b>	Public Safety and Judiciary	This division of the Department of Public Safety provides investigative assistance, forensic science services, statewide criminal justice information, and training.
<b>Challenge Incarceration Program (CIP)</b>	Public Safety and Judiciary	This is a Department of Corrections program that offers an intensive, highly structured, and disciplined program for non-violent, chemically dependent offenders. The boot camp style program offers a chance at an earlier release for the offender. The DOC offers the program to both male and female inmates at different facilities across the state.
<b>Chemical Dependency Assessment Charge</b>	Public Safety and Judiciary	A surcharge for individuals convicted of a DWI offense. The cost of the assessment is paid to the entity conducting the assessment. There also is a charge of \$25 assessment charge (an additional \$5 is assessed if the person is a repeat offender), which may be waived. This assessment is credited to the state general fund.
<b>Civil Legal Services</b>	Public Safety and Judiciary	This program provides legal assistance to individuals with incomes that fall below the federal poverty level with respect to their most critical civil needs. The state appropriation provides about 35 percent of their funding.
<b>Combined DNA Index System</b>	Public Safety and Judiciary	A DNA database that is maintained by the Bureau of Criminal Apprehension and contains over 17,000 offender DNA profiles.
<b>Community Corrections Act (CCA)</b>	Public Safety and Judiciary	Thirty-two counties participate in the CCA. These counties receive a subsidy from the state and are responsible for developing, implementing and evaluating both traditional and non-traditional local corrections programs. Each jurisdiction adopts an annual plan and submits it to the Department of Corrections.
<b>County Probation Officer Counties (CPO Counties)</b>	Public Safety and Judiciary	Twenty-seven counties are under this designation. In these counties the juvenile and misdemeanor probation officers are employees of the county. Each of these counties receives a subsidy from the state that pays up to one half of the salaries for these officers. Probation officers employed by the state

Term	Subject	Description/Definition
		handle felony probation and supervised release cases in these counties.
<b>Court of Appeals</b>	Public Safety and Judiciary	The state's intermediate appellate court that provides for a review of final decisions of the trial courts, state agencies and local governments.
<b>Court Services Tracking System (CSTS)</b>	Public Safety and Judiciary	A software program used by several counties for probation tracking.
<b>Court Technology Fee</b>	Public Safety and Judiciary	A \$2 fee imposed on criminal and traffic penalties to fund technology upgrades for the state court system.
<b>Crime Victims Fund</b>	Public Safety and Judiciary	This fund was authorized by the federal Victims of Crime Act. The money comes from criminal fines, forfeited bail bonds, penalty fees, and special assessments collected by the U.S. Attorneys Offices, the U.S. Courts, and the Bureau of Prisons. The money is distributed to states to fund victim assistance and compensation programs.
<b>District Courts</b>	Public Safety and Judiciary	These courts are also known as trial courts. They have statewide jurisdiction in all civil and criminal actions within district boundaries (ten judicial districts).
<b>Division of Emergency Management (DEM)</b>	Public Safety and Judiciary	A program in the Department of Public Safety.
<b>DOC</b>	Public Safety and Judiciary	Acronym for Department of Corrections. This agency consists of adult institutions, juvenile services, and community services.
<b>DPS</b>	Public Safety and Judiciary	Acronym for Minnesota Department of Public Safety.
<b>DWI</b>	Public Safety and Judiciary	Acronym for driving while intoxicated.
<b>Drug Court</b>	Public Safety and Judiciary	The goal of this type of court is to improve chemical health and reduce crime by changing a defendant's behavior. This court employs a coordinated approach aimed at enhancing public safety and restoring community health by reducing substance abuse and the cycle of related criminal activity.
<b>DUI</b>	Public Safety and Judiciary	Acronym for driving under the influence (of a controlled substance).
<b>EJJ – Extended Juvenile Jurisdiction</b>	Public Safety and Judiciary	The extended jurisdiction juvenile category applies to juveniles' accused of committing a felony-level offense after becoming 14 years of age. The juvenile court imposes both a juvenile disposition and a stayed adult criminal sentence. If a

Term	Subject	Description/Definition
		juvenile violates the conditions of the stayed sentence or has committed a new offense, the court may revoke the stayed sentence and have the adult sentence executed.
<b>Electronic Monitoring</b>	Public Safety and Judiciary	A radio frequency transmitter unit that is worn by a defendant and is connected electronically to a radio transmitter. If the individual goes outside of the effective monitoring radius of the transmitter an alarm is sounded at a central control monitoring point and the local probation agency is notified.
<b>Family Violence Prevention Services Grant</b>	Public Safety and Judiciary	These federal grant funds are for emergency shelter and related assistance for battered women and their children.
<b>Fine</b>	Public Safety and Judiciary	The monetary penalty assessed against a defendant
<b>Felony</b>	Public Safety and Judiciary	The most serious category of criminal offenses. A sentence of imprisonment for more than one year may be imposed.
<b>Good Time</b>	Public Safety and Judiciary	The time an individual spends in a jail or workhouse may be reduced by one-third if the individual has not violated any rules.
<b>Gross Misdemeanor</b>	Public Safety and Judiciary	A crime with penalties of imprisonment from 91 days to one year or a fine of not more than \$3,000 or both.
<b>Hazardous Materials Chemical Assessment Teams (HAZMAT)</b>	Public Safety and Judiciary	These are the initial response teams for hazardous material emergencies. They assist local authorities when requested by providing technical advice to local incident commanders, and recommending mitigation actions necessary to protect life, property, and the environment. There are eleven of these teams throughout the state and they currently consist of from three to four members.
<b>Hazardous Materials Emergency Response Teams</b>	Public Safety and Judiciary	These are the advanced mitigation teams consisting of nine members. They assist local authorities in preventing the release, mitigating the effects of a release, and stabilizing the emergency situation. There are four teams, and they also serve as chemical assessment teams.
<b>Human Rights Department</b>	Public Safety and Judiciary	This department is responsible for reducing illegal discrimination and furthering equal opportunity through a coordinated program of law enforcement, prevention education, and outreach.
<b>Indeterminate Sentencing</b>	Public Safety and Judiciary	Indeterminate sentencing is the legal philosophy that the appropriate period of sentencing for a crime is to hold the offender for as long as is appropriate to protect the community. An indeterminate sentence holds that the

Term	Subject	Description/Definition
		prisoner until their behavior has changed sufficiently that the individual who is being incarcerated no longer poses a threat.
<b>Intensive Supervised Release (ISR)</b>	Public Safety and Judiciary	Special supervision for those offenders who have completed their prison terms and are on supervised release and are identified as the most dangerous.
<b>Institution Community Work Crew (ICWC)</b>	Public Safety and Judiciary	This program provides supervised community work crews for select minimum-security inmates at the end of their institutional stay.
<b>Jail</b>	Public Safety and Judiciary	A secure detention facility used to confine sentenced inmates for a time not to exceed one year per conviction and adult pretrial and sentenced detainees.
<b>Judicial Standards Board</b>	Public Safety and Judiciary	This Board investigates and acts on complaints alleging judicial misconduct or disability for the entire judicial branch of government.
<b>Juvenile Accountability Incentive Block Grant</b>	Public Safety and Judiciary	A federal grant that is used to reduce juvenile crime by encouraging accountability-based reform. These grants can be used for 12 program purpose areas. The Juvenile Justice Advisory Committee (JJAC) distributes the grant.
<b>Juvenile Residential Treatment Grants</b>	Public Safety and Judiciary	These grants are awarded to counties to help them defray residential treatment costs.
<b>Law Library Fee</b>	Public Safety and Judiciary	Fee on petty misdemeanor cases and criminal convictions that is set by the county law library board of trustees with the approval of the board of commissioners. This fee varies by county and is used to support the county law library.
<b>Local Correctional Fee</b>	Public Safety and Judiciary	This is also known as a probation fee. A person convicted of a crime and placed on supervision may be charged a correctional fee.
<b>Minnesota Association of Community Correction Act Counties (MACCAC)</b>	Public Safety and Judiciary	Association of counties who operate corrections programming within communities under the provisions of the Minnesota Community Corrections Act.
<b>Minnesota Association of County Probation Officers (MACPO)</b>	Public Safety and Judiciary	This association exists as a non-profit organization committed to the improvement of probation and parole practices at all levels. It includes probation and parole practitioners serving county, state, community corrections and federal agents.
<b>MINNCOR</b>	Public Safety and Judiciary	The semi-autonomous division of the Department of Corrections that was created to manage the industry programs of the Department of Corrections.

<b>Term</b>	<b>Subject</b>	<b>Description/Definition</b>
<b>Minnesota Court Information Systems (MNCIS)</b>	Public Safety and Judiciary	This system will integrate with MNJIS and it will support core court functions related to case management, record keeping, scheduling, financial management, reporting, and sharing of trial and appellate court data.
<b>Misdemeanor</b>	Public Safety and Judiciary	A crime for which a sentence of not more than 90 days or a fine of not more than \$1,000, or both may be imposed.
<b>MNJIS</b>	Public Safety and Judiciary	Minnesota Justice Information Service. A computer data network operated by the BCA that holds arrest and criminal convictions available to law enforcement across the state of Minnesota.
<b>Part 1 Crimes</b>	Public Safety and Judiciary	Are made up of seven offenses - homicide, burglary, robbery, rape, vehicle theft, aggravated assault, and larceny. The FBI tabulates the total number of Part One Crimes committed per city to calculate the Crime Index for cities in the United States and these statistics are published in their Uniform Crime Report (UCR).
<b>Per Diem</b>	Public Safety and Judiciary	As the term is used in corrections, it means the daily cost of housing an inmate.
<b>Petty Misdemeanor</b>	Public Safety and Judiciary	An offense which is prohibited by statute, but does not constitute a crime and for which a sentence of a fine of not more than \$300 may be imposed.
<b>Police State Aid</b>	Public Safety and Judiciary	See Taxes section
<b>POST Board</b>	Public Safety and Judiciary	Peace Officer Standards and Training Board. This board regulates the practice of law enforcement in Minnesota.
<b>Probation</b>	Public Safety and Judiciary	A court-ordered sanction placing certain conditions on a convicted offender, which could include some local jail or workhouse time, but allowing the offender to remain in the community under the supervision of a probation officer.
<b>PSI</b>	Public Safety and Judiciary	Presentence Investigation. The procedure after conviction during which the defendant's criminal history is investigated.
<b>Public Defense Board</b>	Public Safety and Judiciary	Provides criminal defense services to indigent defendants through the public defender system.
<b>Recidivism</b>	Public Safety and Judiciary	To relapse into criminal behavior, re-offend.

Term	Subject	Description/Definition
<b>Recidivism Rate</b>	Public Safety and Judiciary	The percentage of released offenders who commit another felony within a three-year period after release, as tracked by the Department of Corrections.
<b>Restitution</b>	Public Safety and Judiciary	Payment of compensation by the offender to the victim or victim's family that helps restore the victim to his or her condition before the crime. This also includes payment to a government entity that incurs loss as a direct result of a crime.
<b>Restorative Justice</b>	Public Safety and Judiciary	This program promotes the use of criminal justice practices and programs that focus on repairing the harm of crime and strengthening communities.
<b>Sentence</b>	Public Safety and Judiciary	The time to be served in a prison or jail; also includes fine, probation, restitution and community service.
<b>Sentencing to Serve (STS)</b>	Public Safety and Judiciary	This program provides a very specific sentencing option to the court for non-dangerous offenders to be used in lieu of or in conjunction with jail, as an alternative to paying a fine, or as a condition of probation. STS is a work crew activity.
<b>Sentencing Guidelines Commission</b>	Public Safety and Judiciary	This commission develops a set of sentencing standards for the courts, evaluates sentencing policy and practices, modifies the sentencing standards, determines the impact of policy on correctional resources, and provides training, implementation, and information services to the criminal justice community and the public.
<b>State Agencies Focused on Effectiveness Coordinating Council (S.A.F.E)</b>	Public Safety and Judiciary	This council is to create a strategic plan for Minnesota's criminal justice system, and to coordinate the state's crime, violence and drug abuse prevention efforts.
<b>State Contract Counties</b>	Public Safety and Judiciary	In the 27 counties that are not <a href="#">CCA</a> or <a href="#">CPO</a> counties, the juvenile and misdemeanor probation officers are employees of the State Department of Corrections. The funding is just the reverse of CPO Counties in that the counties pay the state for up to one-half of the salaries of the officers.
<b>State Criminal Alien Assistance Program</b>	Public Safety and Judiciary	This is a federal program that assists states in funding incarceration costs of inmates determined to be illegal aliens by the U. S. Immigration and Naturalization Service.
<b>Status Offense</b>	Public Safety and Judiciary	Conduct which is illegal for a minor, but not for an adult; for example – truancy, curfew, etc.
<b>Supreme Court</b>	Public Safety and Judiciary	This is the state court of last resort and it has jurisdiction in remedial cases as prescribed by law, appellate jurisdiction over all cases and supervisory jurisdiction over all cases and supervisory jurisdiction over all courts in the state.

Term	Subject	Description/Definition
<b>Surcharge On Fines</b>	Public Safety and Judiciary	<p>This is the surcharge on criminal and traffic offenders and is a charge of \$75 on every person convicted of any felony, gross misdemeanor, misdemeanor, or petty misdemeanor offense, other a parking violation. The first \$25 is disbursed as follows:</p> <ul style="list-style-type: none"> <li>• One percent goes to the game and fish fund;</li> <li>• 39 percent goes to the peace officers training account in the special revenue fund; and</li> <li>• 60 percent goes to the general fund.</li> <li>• The other \$50 also goes to the general fund.</li> </ul>
<b>Tax Court</b>	Public Safety and Judiciary	A specialized trial court in the executive branch. It hears and determines all matters arising out of Minnesota's tax laws.
<b>TCIS</b>	Public Safety and Judiciary	Total Court Information System
<b>Title IV-E</b>	Public Safety and Judiciary	A federal program that pays 50 percent of the costs for foster care, training, and related case management requirements and funding. It also pays for part of the out-of-home placement costs for eligible children.
<b>Uniform Laws Commission</b>	Public Safety and Judiciary	This commission works with the National Conference of Commissioners on Uniform State Laws to draft legislation that will improve state statutes and make them more uniform throughout the nation.
<b>Victims of Crime Grant (VOCA)</b>	Public Safety and Judiciary	A federal grant with two parts (compensation and assistance). The compensation funds are used to reimburse crime victims and their families for financial losses incurred due to a crime involving personal injury or death. The assistance funds are distributed to victim services programs for direct services such as crisis intervention, counseling, transportation and advocacy.
<b>Violence Against Women Grant (VAWA)</b>	Public Safety and Judiciary	A federal grant for projects to improve law enforcement and prosecution strategies and victim services, in cases involving violence against women.
<b>Violent Offender Incarceration Truth in Sentencing Program</b>	Public Safety and Judiciary	Federal program to help state and local governments expand their capacity to house violent offenders.
<b>Workhouse</b>	Public Safety and Judiciary	A correctional institution operated by a county or a group of counties for the incarceration of persons convicted for offenses to which the court has sentenced them for up to one

Term	Subject	Description/Definition
		year. The difference between a jail and a workhouse is that the workhouse holds only sentenced offenders.



## State Government

Term	Subject	Description/Definition
<b>AELSLAGID</b>	State Government	Acronym for the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design
<b>AGO</b>	State Government	Acronym for the Attorney General's Office.
<b>AMPERS</b>	State Government	Association of Minnesota Public Educational Radio Stations. AMPERS represents independently licensed, noncommercial radio stations that are not part of the Minnesota Public Radio (MPR) network. AMPERS stations receive state grant funds through the department of Administration.
<b>BPAS</b>	State Government	Budget Planning & Analysis System – system managed by MMB used to collect and present current and projected budget data. BPAS is used to produce the Governor's proposed biennial budget.
<b>CAAPB</b>	State Government	Capitol Area Architectural Planning Board – responsible for architecture and comprehensive land use planning in the Capitol area of St. Paul. CAAPB exercises zoning authority and controls redevelopment of the north Capitol area.
<b>Campaign Finance and Public Disclosure Board</b>	State Government	Administers the requirements of the Ethics in Government Act ( <a href="#">Minn. Stat. § 10A</a> ). The board's four major programs are campaign finance registration and disclosure, public subsidy administration, lobbyist registration and disclosure, and economic interest disclosure by public officials. The board has six members, appointed by the Governor on a bi-partisan basis.
<b>CAPM</b>	State Government	Acronym for the Council on Asian Pacific Minnesotans.
<b>CMAH</b>	State Government	Acronym for the Council for Minnesotans of African Heritage.
<b>Contingent Accounts</b>	State Government	Contingent accounts are appropriations made from several state funds to provide supplemental funding for emergencies and other legally authorized purposes. The release and expenditure of this funding requires the approval of the

Term	Subject	Description/Definition
		governor after consultation with the Legislative Advisory Commission (LAC).
<b>Demographic Center</b>	State Government	Provides demographic data and analysis, including annual population estimates, long-term projections and trend monitoring. Serves as the liaison to the US Census Bureau. Located in the Department of Administration.
<b>DMA – Minnesota Department of Military Affairs</b>	State Government	Also known as the Minnesota National Guard.
<b>EAP – Employee Assistance Program</b>	State Government	Provides training, diagnostic, and referral services for state employees and their dependents. EAP is part of the State Employee Group Insurance program.
<b>ETRF, Enterprise Technology Revolving Fund</b>	State Government	The internal service fund managed by MN.IT. The ETRF provides the enterprise IT services for state agencies, including mainframe and server infrastructure, data center management and telecommunications.
<b>Fleet Services</b>	State Government	Program in Department of Administration providing long-term vehicle leases, and assistance to state agencies in meeting the federal Energy Policy Act (EPAct) requirement for alternative fuel vehicle purchasing.
<b>Gambling Control Board</b>	State Government	State agency that regulates lawful gambling in Minnesota through licensing, registration and permitting.
<b>In-Lieu-of-Rent</b>	State Government	Direct appropriation to the Department of Administration for space costs not covered by lease agreements with state agencies. The in-lieu-of-rent appropriation covers ceremonial space in the Capitol, and space occupied in the Capitol and State Office Building by the legislative branch and chartered veterans service organizations.
<b>Information and Telecommunications Account</b>	State Government	Special Revenue account within MN.IT, authorized in MS 16E.21. The account is funded through state agency contributions and is used for projects and activities that create government efficiencies. Commonly referred to as the “Odyssey Fund”
<b>Internal Service Funds</b>	State Government	Funds internal to the operation of state government that provide a variety of services to state agencies, such as telecommunications and computer services, plant management, office supplies and surplus services. The funds

Term	Subject	Description/Definition
		must recover the full costs of services provided through billing back state agencies.
<b>IPAD – Information Policy Analysis Division</b>	State Government	Unit in Department of Administration that provides education and assistance about the state's data practices act and open meeting law (MS Chapters 13 and 13D).
<b>LBO – Legislative Budget Office</b>	State Government	The Legislative Budget Office administers the fiscal note and local impact note processes. LBO staff also assist the Tax Expenditure Review commission.
<b>LCC – Legislative Coordinating Commission</b>	State Government	The LCC serves as the umbrella organization for legislative commissions, joint agencies, and other boards. All joint agency budgets are reviewed and approved by the commission. Six House members and six Senate members sit on the LCC.
<b>LCPR – Legislative Commission on Pensions and Retirement</b>	State Government	Provides legislative oversight for Minnesota's system of public employee pension plans by reviewing proposed public pension legislation, conducting research on pension policy issues and assessing the sufficiency of current public pension plan funding. Seven House members and seven Senate members sit on the LCPR.
<b>MAD – Management Analysis Division</b>	State Government	A fee for service management consulting group within the Minnesota Management & Budget.
<b>MASC</b>	State Government	Acronym for the Minnesota Amateur Sports Commission.
<b>Master Lease</b>	State Government	A lease-purchase financing option for equipment purchases, available only through the Department of Administration.
<b>Materials Management</b>	State Government	Division in the Dept. of Administration responsible for purchasing, contracts, professional/technical services, and all other aspects of buying goods and services for state agencies.
<b>MCLA</b>	State Government	Acronym for Minnesota Council on Latino Affairs
<b>MDVA</b>	State Government	Acronym for the Minnesota Department of Veterans Affairs.
<b>MIAC</b>	State Government	Acronym for the Minnesota Indian Affairs Council.

Term	Subject	Description/Definition
<b>Minnesota Advantage</b>	State Government	Name of the health insurance plan for state employees. Minnesota Advantage is the largest component of the State Employees Insurance Program (SEGIP).
<b>Minnesota.gov</b>	State Government	Web portal to Minnesota state government, located at mn.gov
<b>MMB, Minnesota Management &amp; Budget</b>	State Government	The agency with broad powers to administer the financial affairs of the state, among them the responsibility to develop and present the Governor's budget, produce forecasts of state revenues, expenditures, and debt capacity, to prepare and oversee fiscal notes, and to manage the state's capital indebtedness and capital bonding. The Commissioner of MMB is designated in statute as the state's chief accounting officer, principal financial officer and the state controller.
<b>MnGEO</b>	State Government	Minnesota Geospatial Information Office. MnGEO is responsible for coordinating GIS data and services within the state. MnGEO is housed in MN.IT and is a successor to the Land Management Information Center (LMIC).
<b>MNHS</b>	State Government	Acronym for the Minnesota Historical Society.
<b>MN.IT (also known as the Office of MN.IT Services)</b>	State Government	Agency charged with providing statewide leadership and direction for information and communication technology policy. MN.IT is also responsible for managing the state's information and telecommunications systems. The MN.IT director serves as the state's Chief Information Officer.
<b>OAH</b>	State Government	Acronym for the Office of Administrative Hearings. OAH is an independent state agency charged with providing a fair, prompt and impartial hearing process for citizens who disagree with actions taken by government. OAH judges hear cases in four areas: Administrative Procedure Act state agency contested cases; rulemaking hearings; local government licensing and personnel cases; and Workers Compensation benefit hearings.
<b>OGM – Office of Grants Management</b>	State Government	Provides policy direction and technical assistance on state grants management. Housed in the Department of Administration.
<b>OLA – Office of the Legislative Auditor</b>	State Government	The nonpartisan audit and evaluation office within the legislative branch of Minnesota state government. The office focuses primarily on state agencies and programs, but also

Term	Subject	Description/Definition
		audits three metropolitan agencies and selectively reviews programs that are administered locally. Financial audits of local units of government are the responsibility of the <a href="#">State Auditor</a> .
<b>OSA – Office of the State Archaeologist</b>	State Government	Office in Department of Administration that manages the State's archaeological resources, including sites and data under provisions of MS <a href="#">138.31-138.42</a> and MS <a href="#">307.08</a> . OSA's duties include identifying and preserving archaeological sites and data; identifying and protecting human burial sites; and licensing archaeological fieldwork conducted within the state.
<b>OSP – Office of State Procurement</b>	State Government	Office in the Department of Administration that oversees state agency purchasing. OSP also operates the Office of Equity in Procurement that helps veteran-, minority-, and woman-owned small businesses become state vendors
<b>Pension Systems / Plans</b>	State Government	<ul style="list-style-type: none"> <li>• DTRFA – Duluth Teachers Retirement Fund Association. Effective June 30, 2015, the DTRFA was merged into TRA.</li> <li>• MSRS – Minnesota State Retirement System, administers various pension plans that cover state employees. Includes the MSRS General Plan for most executive branch employees, the MSRS Unclassified Plan for legislative staff and unclassified executive branch employees, the Correctional Plan for employees in state correctional institutions that have sufficient inmate contact, the State Patrol Plan for state peace officers, and legislators' and constitutional officers' plans</li> <li>• MTRFA – Minneapolis Teachers Retirement Fund Association. MTRFA was merged with the statewide Teachers Retirement Association on July 1, 2006.</li> <li>• PERA – Public Employees Retirement Association, administers pension plans that covers local, county, and school district non-teaching employees.</li> <li>• PERA Police and Fire – provides coverage for many local police officers and paid firefighters.</li> <li>• StPTRFA – St. Paul Teachers Retirement Fund Association.</li> <li>• TRA – Teachers Retirement Association, provides coverage for public school teachers throughout the state, except for teachers in St. Paul, and some teachers in community colleges, state universities, and technical colleges.</li> </ul>

Term	Subject	Description/Definition
<b>P/T Contracts, Professional and Technical Contracts</b>	State Government	State contracts for professional or technical services that are intellectual in character, including consultation, analysis, evaluation, and planning, and result in the production of a report or the completion of a task.
<b>PTAC – Procurement Technical Assistance Center</b>	State Government	PTAC assists Minnesota businesses in securing government contracts through counseling, education, training and certification. PTAC is part of the Department of Administration.
<b>Racing Commission</b>	State Government	Regulatory agency created in 1983 to supervise and regulate the pari-mutuel horse racing industry in Minnesota.
<b>Risk Management</b>	State Government	Program in the Department of Administration that operates the state government's insurance program, and the state workers' compensation and safety programs.
<b>SBI – State Board of Investment</b>	State Government	Constitutionally established to invest all state funds. Invests pension fund assets of TRA, MSRS, and PERA. Members include the governor, the state auditor, the secretary of state, and the attorney general.
<b>SEGIS – State Employees Group Insurance Program</b>	State Government	Provides Minnesota state employees (as well as people employed by some quasi-state organizations) with employee/dependent group medical, dental and life insurance. Administered by Minnesota Management & Budget.
<b>SEMA4 – Statewide Employee Management System</b>	State Government	The state's human resources and payroll processing system.
<b>SER – Subcommittee on Employee Relations</b>	State Government	Subcommittee of the Legislative Coordinating Commission (LCC). Assists the legislature by providing interim consideration of negotiated agreements and compensation plans for employees in the executive branch. The SER also makes recommendations regarding certain state and local government salaries.
<b>SHPO – State Historic Preservation Office</b>	State Government	SHPO oversees programs to identify, evaluate, and protect the state's historic and archaeological resources. SHPO is housed in the Department of Administration.

Term	Subject	Description/Definition
<b>SMART – Small Agency Resource Team</b>	State Government	Unit within Department of Administration that offers human resource and financial management services to small agency clients in state government.
<b>State Lottery Fund</b>	State Government	Fund containing all gross revenues of the lottery, except those deposited in the State Lottery Prize Fund (see below). Lottery operating costs are paid from this fund but may not exceed nine percent of gross revenues.
<b>State Lottery Net Proceeds</b>	State Government	The balance in the lottery fund after transfers to the lottery prize fund and credits to the lottery operations account. Of the net proceeds, 40 percent must be credited to the Minnesota environment and natural resources trust fund, and the remaining 60 percent must be credited to the General Fund.
<b>State Lottery Prize Fund</b>	State Government	Separate prize account funded by lottery receipts. The lottery director must deposit an amount sufficient to pay lottery prizes. After one-year, unclaimed prize funds are transferred to the general fund.
<b>Statewide Indirect Costs</b>	State Government	General Fund expenditures made by a state agency to provide general support services to any other state agency. Agencies must allocate these costs to programs supported by non-General Fund sources (usually federal or fee-based programs) and reimburse the General Fund with the recoveries. Indirect cost recoveries ensure that general tax revenues do not pay a disproportionate share of administrative costs.
<b>Surplus Services</b>	State Government	Program in the Department of Administration responsible for the acquisition, distribution and disposal of surplus property (other than real estate).
<b>SWIFT – Statewide Integrated Financial Tools</b>	State Government	The state's financial accounting, procurement, human resources and payroll system. SWIFT went live on July 1, 2011 and replaced the former accounting and procurement system (MAPS), and integrates with the human resources/payroll system (SEMA4).

## Taxes

Term	Subject	Description/Definition
<b>Ad valorem Tax</b>	Taxes	A tax that is measured by value; that is, calculated based on the value of the asset, good or transaction; for example, the <i>ad valorem</i> property tax, the mortgage registration tax. Other types of taxes include those based on consumption ( <i>e.g.</i> , sales), volume ( <i>e.g.</i> , gas) and ability to pay ( <i>e.g.</i> , income).
<b>AGI – Adjusted Gross Income</b>	Taxes	An intermediate figure in the computation of individual income tax between gross income and taxable income. The starting point on the federal individual tax return for computing deductions that are based on, or limited by, a percentage of income. Includes the sum of wages and salaries, tips, interest, dividends, rents, royalties, self-employment income, capital gains, unemployment compensation, alimony received and the taxable portions of pension, annuity, and social security income <i>minus</i> selected “above-the-line” deductions. (Those deductions include those for qualifying IRA contributions, self-employed retirement plans, college tuition, student loan interest, self-employed health insurance, health savings accounts, and educator expenses.) “Above-the-line” references deductions that are part of the computation of AGI. Also referred to as <a href="#">FAGI</a> , Federal Adjusted Gross Income.
<b>Aggregate Material Production Tax</b>	Taxes	A tax imposed by a county or a township on mining companies for removing nonmetallic natural mineral aggregate (sand, silica sand, gravel, crushed rock, limestone, and granite). The current rate is 21.5 cents per cubic yard or 15 cents per ton, except for Rock County where the tax is either 10 cents per cubic yard or 7 cents per ton. Often referred to as the “gravel tax.”
<b>Agricultural Homestead Market Value Credit</b>	Taxes	A property tax credit for agricultural land <i>beyond</i> the house, garage and the surrounding 1 acre of land equal to 0.3 percent of the market value on the first \$115,000, with an additional credit of 0.1 percent of market value above \$115,000. The maximum credit of \$490 is for farms valued at \$260,000 and above.
<b>Agricultural Preservation Credit</b>	Taxes	Tax relief on lands and nonresidential buildings in agricultural use located in an agricultural preserve. Eligible property owners receive a property tax credit of \$1.50 per acre of land in the preserve.
<b>AMT, Alternative Minimum Tax</b>	Taxes	The tax law gives special treatment to some kinds of income and allow special deductions and credits for some kinds of



Term	Subject	Description/Definition
		expenses. Taxpayers who benefit from these laws may have to pay at least a minimum amount of tax through an additional tax called the <i>alternative minimum tax</i> at the state level for Minnesota.
<b>Apportionment of Income</b>	Taxes	A method by which individuals or businesses with income from multiple states allocate that income between or among those states. Apportionment formulas are generally based on a three-factor formula such as the in-state percentage of the corporation's sales, payroll, and property. Since 2014, Minnesota corporations have apportioned income using 100 percent "single sales" apportionment.
<b>Assess</b>	Taxes	<p>(1) Establish a value. (2) Impose a tax, charge, fee, fine, interest or penalty.</p> <p>Assessment – (1) Appraisal or estimation of value, specifically the arms-length market value of taxable real or personal property. (2) The amount of tax imposed, particularly a tax for improvements that directly benefit the property as in special assessment.</p> <p>Assessment ratio - The ratio of assessment value to market value; also known as the uniform percentage of value and the assessment rate.</p> <p>Assessment roll – A list of the assessed value of all properties in a jurisdiction.</p>
<b>Audit</b>	Taxes	Examination of tax returns, accounts, or financial records to verify their correctness.
<b>Basis</b>	Taxes	A taxpayer's investment or interest in a property, used to determine the capital gain or loss for tax purposes from the sale or other disposition of the property.
<b>Bonus Depreciation</b>	Taxes	The federal Tax Cuts and Jobs Act of 2017 allows taxpayers to claim 100 percent depreciation for most qualified property placed in service after September 27, 2017, and before January 1, 2023. The eligible percentage of qualifying property is reduced from 2023 to 2026 and is phased out in 2027. Minnesota requires taxpayers to add-back to taxable income 80 percent of depreciation in the year the asset is placed in service, then subtract one-fifth (16 percent) of the amount added back in each of the following five years. This treatment of expensing by Minnesota allows taxpayers to claim the full amount of bonus depreciation over a six-year period rather than all in the first year.

Term	Subject	Description/Definition
<b>Border City Disparity Reduction Credit</b>	Taxes	A state-paid property tax credit in certain border cities (Breckenridge, Dilworth, East Grand Forks, Ortonville, and Moorhead) that reduces by roughly one-third to one-half the effective property tax rate of commercial-industrial and rental property located in an enterprise zone.
<b>Business Activity Tax (BAT)</b>	Taxes	<p>(a) Tax collected from businesses (corporate and non-corporate) based on their value added. Minnesota does not have such a tax. A BAT can take several forms:</p> <ul style="list-style-type: none"> <li>• <i>Addition-style consumption BAT</i> calculates the tax base as the <i>sum</i> of profits, wages, interest paid, and dividends paid minus the total amount invested during the year in new buildings or capital equipment.</li> <li>• <i>Addition-style income BAT</i> is the same except it only subtracts depreciation rather than total investment.</li> <li>• <i>Subtraction-style BAT</i> calculates the tax base as total receipts minus total purchases of intermediate goods from other businesses.</li> </ul> <p>A multi-state business must apportion the tax base among the states where it does business.</p> <p>(b) Sometimes used more generically to include corporate income and franchise taxes as well as the value-added taxes described above.</p>
<b>Capital Equipment</b>	Taxes	For Minnesota Sales and Use tax, machinery and equipment used in this state by the purchaser or lessee primarily for manufacturing, fabricating, mining, or refining tangible personal property for sale at retail, if that machinery and equipment is essential to the integrated production process. (For a full statutory definition, see <a href="#">Minn. Stat. § 297A.68, subd. 5.</a> )
<b>Capital Gain or Loss</b>	Taxes	Net amount of income realized or lost from the sale or exchange of property defined by law as a capital asset. Capital gains are generally included in Adjusted Gross Income (AGI), and up to \$3,000 per year of capital losses is excluded from AGI. Minnesota taxes capital gains at the same rate as other forms of income. The federal income tax generally taxes long-term capital gains (held over 1 year) at special (lower) rates. Note that capital gains from sale of a home (up to \$250,000 single or \$500,000 couple) are generally excluded from AGI and not taxed.

Term	Subject	Description/Definition
<b>CARES Act (Coronavirus Aid, Relief, and Economic Security Act)</b>	Taxes	The federal act establishing the <i>Coronavirus Relief Fund (CRF)</i> . The CARES Act provided \$150 billion in direct assistance to state, territorial and tribal governments to help mitigate and respond to the COVID-19 pandemic.
<b>Categorical aid</b>	Taxes	Aid given to a local government for a designated purpose. Examples include Aquatic Invasive Species Prevention Aid, Indian Family Out-of-Home Placement Aid, and Minneapolis Library Debt Service Aid.
<b>Certificate of Real Estate Value (CRV)</b>	Taxes	A form that is required to be filed ( <i>M.S. 272.115</i> ) with the county auditor whenever real estate is sold for more than \$1,000. The certificate must show the property class and full price paid (or to be paid), including any liens assumed and other information (such as the value of personal property conveyed with real property) that is necessary to determine the fair market value of the property. Information from CRVs is used in the state <a href="#">sales ratio study</a> for purposes of property <a href="#">equalization</a> for the state school aid formula and property tax <a href="#">assessment</a> .
<b>Charitable Contribution Deduction for Non-Itemizers (Minnesota)</b>	Taxes	For income tax, allows those not claiming itemized deductions to deduct half of all charitable deductions in excess of \$500. Enacted in 1999.
<b>Circuit Breaker</b>	Taxes	See <a href="#">Homestead Credit Refund</a> or <a href="#">Property Tax Refund</a> .)
<b>Class, or Property Classification</b>	Taxes	The Minnesota property tax system imposes different property tax burdens on different types, or classifications, of property. For example, residential property, commercial industrial property, rental property, and seasonal recreational property are separate classifications that are treated differently under the Minnesota property tax system. The <i>Minnesota State Constitution</i> provides in Article X, Sec. 1 that, "Taxes shall be uniform upon the same class of subjects..." For property equalization purposes, equal assessment is measured among properties in the same class.
<b>Class Rate</b>	Taxes	A state-determined, percent of market value rate that establishes the relative property tax burdens among different classes of property.
<b>Class Rate Compression</b>	Taxes	A narrowing of the difference between state-determined class rates, thereby reducing the property tax burden for properties with higher class rates relative to those with lower class rates.
<b>Commercial/Industrial Property Taxes</b>	Taxes	See <a href="#">Statewide Property Tax</a> / <a href="#">State General Property Tax</a> .

Term	Subject	Description/Definition
<b>Conservation Tax Credit</b>	Taxes	See <a href="#">Minnesota Conservation Tax Credit</a>
<b>Contamination Tax</b>	Taxes	A local property tax on the contamination value of taxable real property (up to the estimated cost of a response plan), applicable to market value reductions in effect during the taxable year.
<a href="#">Coronavirus Relief Fund (CRF)</a>	Taxes	Federal appropriations established in Public Law 116-136, Division A, Title V, also known as the <a href="#">CARES Act</a> .
<b>County Conservation Fee</b>	Taxes	A \$5 fee paid on mortgage registrations and deed transfers for the metropolitan counties of Anoka, Carver, Dakota, Hennepin, Ramsey, Scott or Washington to pay for the Conservation Tax Credit. Revenues are deposited as follows: 50% to each county's Agricultural Preserve Fund and 50 percent to the Commissioner of Revenue who then deposits half into the Minnesota Conservation Fund and half into the state general fund.
<b>County Program Aid (CPA)</b>	Taxes	A state aid paid to counties primarily to help pay for county administrative costs associated with property tax collection and to equalize <a href="#">tax capacity</a> . The County Program Aid formula consists of a need aid portion (about 44% of total) and a tax base equalization aid portion (about 56% of total).
<b>Coverdell Education Savings Account</b>	Taxes	See <a href="#">Education Savings Account</a> .
<b>Debt Service Aid</b>	Taxes	Special state aid paid to one or more local governments (county or city) to help finance local bonding projects including the Minneapolis Library Project and the Destination Medical Center in Rochester. For school district debt service aid, see equalization aid in the Education section of this glossary.
<b>Deduction</b>	Taxes	Any sum or amount subtracted, or allowed by law to be subtracted, from otherwise taxable income. Includes amounts subtracted from adjusted gross income for documented, specific uses of money (such as <a href="#">itemized deductions</a> ), as well as fixed amounts varying by filing status that filers may subtract in lieu of itemized deductions ( <a href="#">standard deduction</a> ).
<b>Dependent</b>	Taxes	A member of a taxpayer's household (other than a spouse), whom the taxpayer supported and who is a U.S. citizen or resident during the calendar year.
<b>Depreciation</b>	Taxes	Tax purposes: Recovery through an income tax deduction, spread over several years, of the cost of property used to produce income (such as rental property or an automobile).

Term	Subject	Description/Definition
		<p>Financial reporting: The amount of expense charged against earnings by a company to write off the cost of a plant or machine over its useful life, giving consideration to wear and tear, obsolescence, and salvage value.</p> <ul style="list-style-type: none"> <li>• Straight line (SL) depreciation: Expense is assumed to be incurred in equal amounts in each business period over the life of the asset.</li> <li>• Accelerated depreciation: Expense is assumed to be incurred in decreasing amounts in each business period over the life of the asset. Two commonly used variations of accelerated depreciation are the sum-of-years digits (SYD) and the double-declining balance (DDB) methods.</li> </ul> <p>Businesses commonly use accelerated depreciation for tax purposes and straight-line depreciation for financial reporting. (Also see <a href="#">expensing</a> and <a href="#">bonus depreciation</a>.)</p>
<b>Disabled Veterans Market Value Exclusion</b>	Taxes	A form of property tax relief that excludes 1) up to \$300,000 of the market value of homestead property of qualifying permanently and totally disabled veterans and after death, their spouses (if conditions are met), or similarly 2) up to \$150,000 of homestead market value for qualifying veterans with at least 70 percent service-related disability or their primary family caregivers.
<b>Disaster Credit</b>	Taxes	A state-paid reimbursement to counties within a disaster or an emergency area for property tax credits. A disaster credit fills a void in anticipated local property tax revenues caused by re-adjusted property values due to damages attributable to the event.
<b>Disparity Reduction Credit</b>	Taxes	See <a href="#">Border City Disparity Reduction Credit</a> .
<b>DOR or MDOR</b>	Taxes	Minnesota Department of Revenue. The agency that administers the state tax system and state aids to local governments and oversees local property tax assessment practices.
<b>Education Interest Deduction</b>	Taxes	See Student Loan Interest Deduction.
<b>Education Savings Accounts (Coverdell ESAs)</b>	Taxes	A savings account vehicle similar to a “back-loaded” individual retirement account ( <a href="#">IRA</a> ). Contributions limited to \$2,000 per year. Earnings may be withdrawn tax-free for specified educational expenses (elementary, secondary, and post-secondary). Eligibility limited to those with modified adjusted

Term	Subject	Description/Definition
		gross income (MAGI) as calculated on a federal return below \$110,000 (single) or \$220,000 (joint).
<b>EITC, Earned Income Tax Credit</b>	Taxes	A <i>refundable</i> federal income tax credit for low-income persons who work. Maximum credit for tax year 2022 is \$6,164 (2 children), \$3,733 (1 child), and \$560 (no children). The credit phases out at higher incomes, with married filers receiving no credit if income exceeds \$55,529 (2 children), \$49,622 (1 child) or \$22,610 (no children, taxpayer age 25 to 64). Minnesota's companion credit is called the <i>Working Family Credit</i> .
<b>Elasticity</b>	Taxes	<p>A measure of how responsive consumer purchases are to changes in the price of a product or to changes in income.</p> <ul style="list-style-type: none"> <li>• <i>Price elasticity</i> measures the percent decline in amount purchased in response to each one percent rise in price. Products have inelastic prices if the price can be increased with little effect on the quantity purchased (e.g. cigarettes).</li> <li>• <i>Income elasticity</i> measures the percent change in amount purchased in response to each one percent rise in income.</li> </ul>
<b>Elderly Subtraction (Minnesota)</b>	Taxes	A mechanism in the Minnesota income tax that allows eligible taxpayers age 65 and older (and permanently and totally disabled taxpayers of any age) to reduce their taxable income if they have low income and that income is primarily from taxable sources (taxable pensions rather than social security). Also referred to as the senior subtraction.
<b>Entertainment Tax</b>	Taxes	A special local tax applied to admission fees to athletic events and admissions to places where entertainment is provided such as theater, concert halls, circuses and fairs. It also applies to amusement devices and games, food, drink and merchandise sold in public places during live performances and short-term lodging within the city limits. (This tax is different from the lodging tax.) This tax is also referred to as an amusement tax. Currently, the Cities of Minneapolis, Bloomington and Mankato have entertainment taxes which are imposed at various rates.
<b>Enterprise Zone Credits</b>	Taxes	Business tax credits to qualifying businesses within a targeted zone in participating communities. The credits act as an incentive to create investment, development and job creation or retention in areas where there is a high percentage of substandard housing, at least twenty percent of the households are below the poverty level, commercial and industrial property values are falling, or the area's

Term	Subject	Description/Definition
		unemployment rate is above the statewide average. The Department of Employment and Economic Development administers this program.
<b>Equalization</b>	Taxes	<p>The process of: (1) reducing tax rate or tax base disparities among different taxing jurisdictions; or (2) reducing net tax disparities among different properties within the same class in a given taxing jurisdiction. (See <a href="#">State Board of Equalization</a> and <a href="#">State Board Order</a>.)</p> <ul style="list-style-type: none"> <li>• Tax Rate or Tax Base Equalization - Two different taxing jurisdictions with similar spending needs but vastly disparate tax bases would be required to set local tax rates at substantially different levels in order to raise the same total revenue. Tax Rate or Tax Base Equalization is the process of providing additional state aid to the taxing jurisdiction with the lesser taxable base.</li> <li>• Equalization (of property values) – A property's assessed value represents the baseline for determination of the payable property tax. Since local property assessors determine property values, the system does not guarantee that values will be interpreted consistently across the state. <i>Equalization</i> is the term that is used to describe the process of ensuring that <i>all</i> taxable property is assessed at or near its actual market value as required by state law.</li> </ul>
<b>EMV – Estimated Market Value</b>	Taxes	The amount that a local assessor determines to be the value of a parcel of real estate in an open market in an arms-length transaction, less any deductions or adjustments provided by law. This value is multiplied by the appropriate <a href="#">class rate</a> to arrive at the <a href="#">tax capacity</a> of the property.
<b>Estimated Tax</b>	Taxes	The method used to calculate and pay income tax on income that is not subject to withholding.
<b>Excise Tax</b>	Taxes	A per-unit or per-volume tax on the sale or manufacture of a good or service. Excise taxes are often collected at the wholesale level, which reduces administrative costs. Examples include gasoline, cigarette, and alcohol taxes.
<b>Exclusion</b>	Taxes	See <a href="#">Market Value Exclusion</a> .
<b>Exemption</b>	Taxes	(1) The federal exclusion from a taxpayer's taxable income of a specified amount for that person and each of his/her dependents. The personal and dependent exemption was repealed in the Tax Cuts and Jobs Act after tax year 2017. (2)

Term	Subject	Description/Definition
		For 2019, more generally, the term may apply to something that is not subject to tax (e.g. sales tax exemption or property tax exemption).
<b>Expensing</b>	Taxes	For income tax, immediate deduction for the full cost of property used to produce income, rather than claiming depreciation over the life of the asset. For example, in tax year 2021 “Section 179” of the IRS Code permits certain businesses to expense up to \$1,050,000 of tangible personal property. See also <a href="#">bonus depreciation</a> .
<b>FAGI, Federal Adjusted Gross Income</b>	Taxes	See <a href="#">AGI</a> .
<b>Federal Update</b>	Taxes	Refers to changes in state tax provisions (income tax and corporate franchise tax) to conform to changes in federal tax law. Such conformity generally reduces complexity and may increase compliance for Minnesota taxpayers. A federal update is also commonly referred to as federal conformity.
<b>FTI, Federal Taxable Income</b>	Taxes	Federal Adjusted Gross Income <i>minus</i> exemptions (personal and dependents) and deductions (either itemized deductions or the standard deduction). FTI was the Minnesota tax base for calculating state income tax liability from tax year 1987 to tax year 2017.
<b>Fiscal Disparities (FD) Program</b>	Taxes	Often referred to simply as FD, this program requires every taxing jurisdiction within a geographic area, <i>e.g.</i> , the seven-county metropolitan area and the taconite relief area, to contribute 40 percent of the growth (measured from a specified base year) in the commercial/industrial property taxable base to an area-wide pool. This tax base is distributed among all taxing jurisdictions in the geographic area on the basis of population and taxable real property. The principle behind FD was to discourage unbalanced development, especially the concentration of new development in high property wealth but low-tax areas, and to redress the imbalance between public service needs and financial resources in certain low-wealth communities.
<b>Forest Land Credits</b>	Taxes	See <a href="#">Sustainable Forest Land Credits</a> .
<b>FUTA, Federal Unemployment Tax Act</b>	Taxes	Imposes a federal tax on employers to finance the unemployment insurance system. This federal tax is administered by the states. See <a href="#">Unemployment Insurance Tax</a> .



Term	Subject	Description/Definition
<b>General Purpose Aid</b>	Taxes	State dollars allocated to units of government to be used as discretionary funds. Examples include <a href="#">Local Government Aid</a> (LGA), <a href="#">County Program Aid</a> (CPA) and <a href="#">Township Aid</a> .
<b>Green Acres</b>	Taxes	Farm land of ten acres or more that qualifies by its long-term agricultural use and zoning under the <i>Minnesota Agricultural Property Tax Law</i> (M.S. 273.111), for reduced assessment valuation based only on agricultural factors, and deferral of property assessment. The act is designed to preserve farmland in agricultural use and open space within the 7-county metropolitan area where market values are affected by development pressures or sales of recreational land. When land exits the program, the value of deferred taxes and special assessments must be repaid.
<b>Head of household</b>	Taxes	Income tax filing status for unmarried persons who provide more than half the cost of keeping up a home for a qualifying dependent. Filing as a head-of household reduces tax liability compared to filing as either single or married-filing-separately.
<b>Health Savings Accounts (HSAs)</b>	Taxes	Set-up with a qualified HSA trustee, a tax-exempt account to pay or reimburse certain medical expenses incurred. A qualifying individual must be covered under a high-deductible health plan.
<b>HITS Model</b>	Taxes	The House Income Tax Simulation (HITS) model is a computer program is used to estimate the tax year revenue impact of a state or federal individual income tax proposal. This program uses annual data derived from a sample of federal and Minnesota income tax returns, inflates the data to the tax year being simulated and computes estimated state and federal tax liabilities for each return in the sample. The results of each return are weighted to represent the entire population of tax filers.
<b>Homestead</b>	Taxes	A residence occupied by the owner.
<b>Homestead Credit Refund</b>	Taxes	Homeowner Property Tax Refund (PTR) provides direct tax relief in the form of a state-paid refund to owners of residential and farm homestead property based on their local property tax burden relative to household income. Also known as the “circuit breaker” because, in a manner like an electrical circuit breaker, it relieves an overburden on the system. For claims filed in 2022 with incomes less than \$43,890, the maximum refund is \$2,930; incomes up to \$119,970 are eligible but would receive a lesser refund.
<b>Homestead Market Value Credit</b>	Taxes	Eliminated in calendar year 2012/fiscal year 2013, this program provided a property tax credit for residential

Term	Subject	Description/Definition
		homestead property equal to 0.4 percent of the market value of the parcel up to a maximum of \$304, subject to a phase-out of the credit beginning at \$76,000 in market value. The phase-out rate was equal to .09 percent of market value above \$76,000 with no credit for homes valued at \$414,000 and above. This program was replaced with a similar provision, the <i>Homestead Market Value Exclusion</i> .
<b>Homestead Market Value Exclusion</b>	Taxes	Created in calendar year 2012/ fiscal year 2013, this property tax relief program excludes a portion of a homestead's market value for purposes of determining its net tax capacity-based tax. The exclusion is equal to 40% of market value for homes valued up to \$76,000. At \$76,000 the exclusion is at its maximum of \$30,400. For homes above \$76,000 in market value, the exclusion would be \$30,400 less nine percent of the valuation above \$76,000, which diminishes to \$0 at a value of \$413,800. The exclusion mimics the formula of its predecessor program, the <i>Homestead Market Value Credit</i> . Also see <a href="#">Disabled Veteran's Market Value Exclusion</a> .
<b>Impact of Taxation</b>	Taxes	The person, company or transaction on which a tax initially is levied. The person or business that has the legal responsibility to remit the tax to the government.
<b>Incidence of Taxation</b>	Taxes	The final burden of a tax or taxes. Incidence refers to the individual, company, demographic unit or group, economic sector, or income stratum that ultimately bears the burden of a tax or total taxes. The <i>incidence</i> of a tax will differ from its <i>impact</i> if the person paying the tax can shift the burden to others, either in higher prices or lower wages. Also, see <a href="#">tax incidence studies</a> by the Minnesota Department of Revenue.
<b>Income</b>	Taxes	<p>Income has different meanings depending on both the source of the data and the use of the data. Definitions used by expenditure programs often differ from one another and from those used for tax purposes. Selected definitions of income are described below. (See also <a href="#">AGI</a>, <a href="#">MTI</a>, <a href="#">MAGICC</a>, and <a href="#">net income</a>.)</p> <ul style="list-style-type: none"> <li>Income before taxes ("<i>pretax income</i>") - In the <i>Consumer Expenditure Survey</i> this includes: wages and salaries; self-employment income including losses; Social Security, private and government retirement income; interest, dividends, rental income and other property income; unemployment and workers' compensation; veterans' benefits; public assistance, supplemental security income, food stamps; regular contributions for support including alimony and child</li> </ul>

Term	Subject	Description/Definition
		<p>support, foster care payments; cash scholarships, fellowships, stipends; meals and rent as pay.</p> <ul style="list-style-type: none"> <li>• <b>Personal Income</b> - In national income accounts, personal income is the income received by individuals, owners of unincorporated businesses (including partnerships), non-profit institutions, private trust funds, and private non- insured welfare funds. Personal income is the sum of wage and salary disbursements, other labor income, proprietors' income, rental income of persons, dividends, and personal interest income and transfer payments, less personal contributions for social insurance. It does not include capital gains income.</li> <li>• <b>Disposable Personal Income</b> - Personal income less personal tax and non-tax payments, a measure that represents the portion of personal income available to persons for consumption and saving.</li> <li>• <b>Self - Employment Income</b> - Net income received by persons from an unincorporated business, profession, or from the operation of a farm as an owner or tenant.</li> </ul>
<b>Income Tax Reciprocity</b>	Taxes	See <a href="#">Reciprocity</a> .
<b>Indexing</b>	Taxes	A mechanism for periodic adjustment of tax thresholds, tax brackets, or tax rates to keep taxes constant in real terms ( <i>e.g.</i> , after inflation). Income tax indexing prevents automatic tax increases due to "bracket creep". In Minnesota, property tax refunds are also indexed for inflation.
<b>IPD, Implicit Price Deflator</b>	Taxes	See <a href="#">GDP</a> in the "General Terms and Acronyms" section of the glossary.
<b>IRA, Individual Retirement Account</b>	Taxes	<a href="#">Tax preference</a> to encourage long-term saving for retirement and educational expenses. "Regular" IRA: Contributions may be tax deductible and the return on investment is tax-deferred until proceeds are withdrawn, usually after retirement. Contributions are fully <a href="#">deductible</a> if the taxpayer (and spouse if married) has no pension coverage, or if income is below a certain level. In 2022, deductibility is phased out for married couples filing jointly (and covered by a retirement plan at work) with income between \$109,000 and \$129,000, and for single and head of household filers with income between \$68,000 and \$78,000. "Back-loaded" IRA (Roth IRA): No deduction for contributions, but investment earnings are not

Term	Subject	Description/Definition
		<p>taxed and may be withdrawn tax-free for specified purposes (usually after retirement).</p> <p>Total regular plus back-loaded IRA contributions are limited to \$6,500 in 2023. For taxpayers age 50 or older, back-loaded IRA contributions are limited to \$7,500 for tax year 2023. See also <a href="#">Education Savings Accounts</a> (formerly called Education IRAs).</p>
<b>IRC</b>	Taxes	The Federal <i>Internal Revenue Code</i> .
<b>IRRRB</b>	Taxes	The Iron Range Resources and Rehabilitation Board.
<b>Iron Range School Consolidation Account</b>	Taxes	Created in FY 2015 to assist nine Iron Range schools with aging facilities, the Iron Range School Consolidation Account in the Special Revenue Fund receives 1) annual general revenue appropriations equal to six cents per ton from the occupation tax, and 2) non-general fund revenues from an existing, ten-cent per ton distribution of production taxes through 2023, plus two-thirds of the production tax's annual inflation adjustment for distribution years 2015-2017. (Beginning in distribution year 2024, the ten-cent per ton allocation will be reduced to five cents per ton.) The IRRRB may use these funds to assist Iron Range school districts with debt service on bonds issued for qualified school projects, or for any other disbursements as authorized by the Board.
<b>IRS</b>	Taxes	<i>Internal Revenue Service</i> , U.S. Department of Treasury.
<b>Itemized Deductions</b>	Taxes	For federal income tax, taxpayers may deduct the larger of itemized deductions or the <a href="#">standard deduction</a> . Itemized deductions may include: (1) unreimbursed allowable medical expenses in excess of 7.5 percent or 10 percent of AGI (depending on the age of the taxpayer); (2) the sum of state and local tax deductions to \$10,000; (3) limit the home mortgage interest deduction on up to \$750,000 of mortgage interest debt; and (4) charitable contributions. Those who itemize deductions are referred to as "itemizers." These deductions carry through to the Minnesota income tax, except for the deduction of state and local income or sales taxes.
<b>Joint Return</b>	Taxes	Federal and state income tax filing status that can be used by a married couple. The married couple must be married as of the last day of the tax year in order to qualify.
<b>June Accelerated Payments</b>	Taxes	Taxpayers that remit cigarette, tobacco, alcohol excise taxes and mortgage and deed taxes and have an annual tax liability of \$250,000 or more are required to make an early payment of 84.5 percent of their June liability. This payment is due two

Term	Subject	Description/Definition
		business days before June 30, rather than on July 20. This accelerated payment shifts funding into the earlier fiscal year. This “fiscal shift” was first enacted in 1983 (at 75 percent). This requirement previously applied to taxpayers that remit sales taxes until the requirement was repealed for June 2022 payments.
<b>Local Government Aid or LGA</b>	Taxes	An annually distributed, state property-tax-relief aid to 768 (about 90 percent) of Minnesota cities, distributed by a formula that reflects a city’s aid from the previous year, plus its unmet need times its aid gap percentage. Local Government Aid is the largest general purpose state aid program to cities. Payable year 2022 LGA distributions total \$564.4 million.
<b>Levy</b>	Taxes	(1) The total dollar amount raised in property taxes by a local unit of government. (2) A tax, fee or surcharge. (3) The imposition of such a charge.
<b>Levy Limit(s)</b>	Taxes	A restriction, usually by statute, on the total amount to be raised by a levy (property taxes) or on the tax rate; or, restrictions on the year-to-year growth in the rate, revenue yield of a levy, or the revenue yield of a levy plus changes state aid amounts. For tax payable years 2009-2011, local property tax growth for all counties and for cities with populations over 2,500 residents were capped at 3.9 percent. Today, no levy limits exist.
<b>LLC, Limited Liability Company</b>	Taxes	A state-registered business operating form that allows the firm to be taxed like a partnership or sole proprietorship (taxed only at the individual level rather than being subject to corporate-level taxes), but its owners (like corporate shareholders) are not personally responsible for the entity’s debts and liabilities.
<b>Limited Market Value</b>	Taxes	Restriction on the amount of the growth in a property’s estimated market value that is subject to taxation. A growth limitation was applied to residential homestead, residential seasonal recreational, timber and agricultural property in tax year 2006 but was phased out by 2008.
<b>Local Impact Note</b>	Taxes	An analysis of the fiscal impact of certain legislation or administrative rules proposing state-mandates on local governments including school districts. Notes are prepared by

Term	Subject	Description/Definition
		the Legislative Budget Office at the request of the chair or ranking minority member of the House or Senate Tax, Finance or Ways & Means Committees (M.S. 3.986-3.988).
<b>Local Optional Revenue (formerly Location Equity Revenue)</b>	Taxes	A general education revenue category that provides up to \$424 per pupil. This revenue, a mix of state aid and levy, is distributed using an equalizing factor of \$510,000. They levy is spread on referendum market value.
<b>LIHC, Low Income Housing Tax Credit</b>	Taxes	A tax credit created by the federal Tax Reform Act of 1986 to encourage private sector investment in the construction and rehabilitation of housing for low- and moderate-income families. The law gives each state an annual tax credit allocation based on population. The Minnesota Housing Finance Agency administers this program in Minnesota. The LIHC are awarded on a competitive basis to nonprofit and for-profit sponsors of eligible housing projects. Awards are based on the criteria outlined in Minnesota's Allocation Plan. Project sponsors or (in the case of syndication) investors claim the tax credit on their federal income tax return.
<b>M1</b>	Taxes	Minnesota income tax return form for individuals.
<b>MAGICC, Minnesota Adjusted Gross Income for Childcare Credit</b>	Taxes	Includes both taxable and nontaxable income reported for purposes of the Minnesota income tax child and dependent care credit. Commonly used in tax research and analysis as a measure of "household income".
<b>Market Value</b>	Taxes	An assessor's estimate of a property's worth if sold in a competitive and open market.
<b>Market Value Exclusion</b>	Taxes	An omission of value that reduces a property's taxable value for property tax purposes. See <a href="#">Homestead Market Value Exclusion</a> / <a href="#">Disabled Veteran's Market Value Exclusion</a> / <a href="#">State General Levy Market Value Exclusion</a> . Also includes to the Metro Vacant Land Plat Law.
<b>Marriage Penalty Credit (Minnesota)</b>	Taxes	Income tax credit for some taxpayers filing a joint tax return. Offsets the "marriage penalty" that would otherwise occur because Minnesota tax brackets for joint returns are less than twice as wide as those for single filers. Without this credit, enacted in 1999, some married couples would pay higher taxes than two single persons with the same combined income. The credit only offsets marriage penalties due to the tax brackets, not those due to other income tax provisions (such as income tax credits).
<b>Medical Savings Account (MSA)</b>	Taxes	See <a href="#">Health Savings Account (HSA)</a> .

Term	Subject	Description/Definition
<b>Minnesota Conservation Tax Credit</b>	Taxes	Property tax relief awarded to certain landowners with land in an agricultural preserve under M.S. Chapter 40A. This program is for counties outside the seven-county metro area. Eligible filers receive a property tax credit of \$1.50 per acre annually.
<b>MTI, Minnesota Taxable Income</b>	Taxes	Federal adjusted gross income plus “Minnesota additions” minus “Minnesota subtractions”. Major Minnesota additions include (1) state income or sales taxes claimed as an itemized deduction on the federal income tax return; (2) non-Minnesota state and municipal bond interest; and (3) fines, and penalties allowed as a deduction from federal income tax. Major Minnesota subtractions include (1) state income tax refunds received by itemizers; (2) U.S. bond interest; (3) education deduction (qualifying K-12 expenses); (4) the <a href="#">charitable deduction for non-itemizers</a> , and (5) most military pay.
<b>MVST, Motor Vehicle Sales Tax</b>	Taxes	See <a href="#">Motor Vehicle Sales Tax</a> in the Transportation section.
<b>Net Income</b>	Taxes	The difference between a business’ total revenues and its total expenses.
<b>Net Operating Loss (NOL)</b>	Taxes	A net operating loss is experienced by a business when business deductions exceed business income for the tax year. For income tax purposes, a net operating loss can be “carried back” to offset income (and reduce tax) in a prior year or “carried forward” to offset income (and reduce tax) in a future year. In some years, losses may be carried back for more years at the federal level than at the state level, requiring offsetting state additions and subtractions.
<b>Net Tax Capacity</b>	Taxes	A property’s taxable market value times its class rate; also known as a property’s tax base.
<b>Nexus</b>	Taxes	Economic connections or links to a state that result in a legal liability to pay or remit taxes to that state.
<b>Notice of Proposed Property Tax</b>	Taxes	Part of the <a href="#">Truth-in-Taxation</a> process, an estimated statement of property tax for each political subdivision that levies a tax on that parcel payable in the following year under hypothetical budget and levy assumptions. Notices are distributed to property owners prior to Truth-in-Taxation hearings and the hypothetical levies on the notices establish an upper limit on local levies.

Term	Subject	Description/Definition
<b>Original Issue Discount (OID)</b>	Taxes	When a long-term debt instrument is issued at a price that is lower than its stated redemption value, the difference is called <i>Original Issue Discount</i> .
<b>Passive Activity</b>	Taxes	Trade, business or rental activities that the taxpayer does not materially participate in managing. All income and losses from passive activities are grouped together on an income tax return, and loss deductions are generally limited or suspended until the passive activity that generated them is disposed of in its entirety.
<b>PILT, Payment In Lieu of Tax</b>	Taxes	A payment, whether voluntary or required by law, made by an owner of tax-exempt property to a local government as a contribution toward the cost of the public services provided to the property. In Minnesota, the Commissioner of Revenue administers a state program that makes payments-in-lieu of tax to local governments for land held and managed for natural resources purposes by the Department of Natural Resources.
<b>Pre-Tax Account</b>	Taxes	Account established by employers that allows employees to pay for certain expenses with pre-tax dollars. Eligible expenses include (1) out-of-pocket medical expenses; (2) up to \$5,000 in childcare expenses; and (3) certain parking, car-pooling, and transit expenses.
<b>Property Tax Base</b>	Taxes	A property's taxable market value times its class rate; also known as net tax capacity.
<b>PTR, Property Tax Refund</b>	Taxes	Property tax relief programs administered as direct payments to individuals. The <a href="#">Homestead Credit Refund</a> or "circuit breaker" for homeowners and the <a href="#">Renters Credit</a> are based on net property taxes relative to income; the <a href="#">Targeting Refund</a> for homeowners is based on the percentage increase in tax above a statutory dollar threshold.
<b>Reciprocity (Income Tax)</b>	Taxes	Agreement with another state to let each state's residents file an income tax return in their home state only even though they have earned income in the other state. In 2012, Minnesota had reciprocity agreements with two states: North Dakota, and Michigan. In 2010, the Governor terminated the reciprocity agreement previously in effect with Wisconsin.
<b>Refundable Credit</b>	Taxes	An income tax credit that can reduce net tax below zero (a "negative" tax liability). An eligible filer with no tax liability (before credit) can receive a full credit as a refund. A filer whose credit exceeds tax liability can receive the balance as a refund. In contrast, a non-refundable credit can only reduce net tax to zero. Examples: Federal <a href="#">Earned Income Tax Credit</a> ,



Term	Subject	Description/Definition
		Minnesota <i>Working Family Credit</i> , Minnesota <i>Child and Dependent Care Credit</i> , Minnesota <i>K-12 Education Credit</i> , Combat Zone Credit, <i>Credit for Tax Paid to Wisconsin</i> , Historic Structure Rehabilitation Credit, <i>Small Business Investment Credit</i> , Enterprise Zone Credit, and the Parent of Stillborn Tax Credit.
<b>RDCs, Regional Development Commissions</b>	Taxes	Multi-county and multi-jurisdictional statutory commissions created in the regional development act for the purpose of intergovernmental cooperation.
<b>Renters Credit or Renter Property Tax Refund (PTR)</b>	Taxes	A property tax relief program provided to occupants of rental property; it is the complement to the homeowner's "circuit breaker." The credit is based on a statutory percentage of rent deemed to constitute property taxes (17 percent) and the renter's household income, up to \$64,920 for filers in CY 2021. The maximum refund amount in CY 2021 is \$2,280. (See <a href="#">Property Tax Refund</a> .)
<b>RRTA, Railroad Retirement Act</b>	Taxes	Tier I railroad retirement is an employer-employee tax in lieu of the Social Security Tax (OASDI/HI), on railroad employment.
<b>Revenue Estimate</b>	Taxes	Official fiscal analysis prepared by the Department of Revenue, forecasting the revenue loss or gain from the enactment of proposed tax legislation (See M.S. § 270C.11, subds. 4 to 5). The revenue estimate does not identify the costs a state agency or local government may incur to implement the proposed change; a fiscal note is required to obtain any state agency cost. Revenue estimates are available on the <a href="#">Department of Revenue</a> website.
<b>Sales Ratio</b>	Taxes	An analysis (sales ratio study) used by the Department of Revenue to measure the accuracy of local assessors' estimates of taxable property values by comparing, for properties that have recently been sold, the ratios of the assessor's estimated market values to the actual sale prices of the individual properties. A sales ratio of 100 percent suggests that the aggregate estimated market values of properties selling within a geographical boundary are exactly equal to the actual sales prices of those properties. When the sales ratio for a particular class of property falls below 90 percent or exceeds 105 percent, the <a href="#">State Board of Equalization</a> is authorized to issue a <a href="#">State Board Order</a> increasing or decreasing the taxable values of all properties in that class and assessment area by a flat percentage across the board, in order to achieve greater <a href="#">equalization</a> of taxes among like properties. Sales ratios are also used to equalize property value across jurisdictions for the purpose of distributing various state aids.

Term	Subject	Description/Definition
<b>Sales Tax on Motor Vehicles</b>	Taxes	See <i>Motor Vehicle Sales Tax</i> in Transportation Section.
<b>School Building Bond Agricultural Credit</b>	Taxes	A credit designed to provide property tax relief to farm property (class 2a, 2b and 2c less the house, garage and one acre) owners who face high taxes due to school district capital improvements. In payable year 2019/FY 2020, the credit was equal to 40 percent of the property's eligible net tax capacity multiplied by the school debt tax rate. The credit increased to 50 percent in pay 2020/FY 2021, 55 percent in pay 2021/FY 2022, 60 percent in pay 2022/FY2023, and will become 70 percent in pay 2023/FY 2024.
<b>School Consolidation Account</b>	Taxes	See <a href="#">Iron Range School Consolidation Account</a> .
<b>School Local Option Revenue</b>	Taxes	See <a href="#">Local Option Revenue</a> .
<b>Senior Deferral Reimbursement</b>	Taxes	A deferred property tax program for senior citizens that limits the maximum property tax payment to 3 percent of total household income. The remainder of the tax is paid by the state, which sets up a low-interest loan that becomes due when the homeowner terminates participation.
<b>Self-Employment Tax</b>	Taxes	A tax that applies to earnings from self-employment <i>in lieu</i> of the Social Security Tax (OASDI/HI). A self-employed individual pays both the employer and employee share. Included on the individual income tax return.
<b>Severance Taxes</b>	Taxes	Taxes imposed on the removal of natural products from land or water and measured by value of quantity of products removed or sold. These may include oil, gas, minerals, gravel, timber and fish.
<b>SFIA – Sustainable Forest Incentive Act</b>	Taxes	See <a href="#">Sustainable Forest Land Credits</a>
<b>Short-term rental property</b>	Taxes	A range of property classes that are leased for less than 30 days. In 2021, a class 4b(1) residential non-homestead property with 1-3 units that is rented for more than 14 but less than 30 consecutive days also qualifies as short-term rental.
<b>Simplified (or Streamlined) Sales Tax Agreement (SSTA)</b>	Taxes	A national effort to simplify state and local sales tax collection and remove any undue burden on interstate commerce. The agreement contains numerous simplifications and uniformity requirements that states must adopt to remove any undue burden on sellers. Minnesota is a full participating member state of the streamline sales tax.
<b>Solar Production Tax</b>	Taxes	An energy production tax of \$1.20 per megawatt-hour on solar energy systems used as a power source (class 3a), excluding

Term	Subject	Description/Definition
		systems with a capacity of one megawatt alternating current or less.
<b>Special Assessment</b>	Taxes	A means of collecting compulsory contributions from property owners benefited by a municipal improvement to real property (such as installation or repair of a sidewalk or sewer) where the assessment is proportional to benefit. The property owner has the option to spread the charges over multiple years and to pay the bill with real property taxes.
<b>Special Service District</b>	Taxes	An area within a city where special services are provided and the cost of providing these services is funded from revenues generated from special service charges imposed upon the district. Property included in a special service district is usually classified as commercial, industrial or public utility. Examples of special services are maintenance of sidewalks, streets or special street lighting, or provision of security personnel.
<b>Special Taxing Districts</b>	Taxes	Usually created by special legislation, or by citizen or local government initiative under general statutory authority, areas within which a levy is imposed or collected for the delivery of a specified service such as a rural ambulance district, a fire-protection district, or a town subordinate service district.
<b>Special Taxes</b>	Taxes	Taxes on cigarettes, tobacco, beer, wine, liquor, and gambling products, hazardous and solid waste, insurance taxes, and certain compulsory fees.
<b>Standard Deduction</b>	Taxes	For federal income tax, taxpayer may deduct the larger of <a href="#"><i>itemized deductions</i></a> or the standard deduction, which varies with filing status. In tax year 2023, the standard deduction is \$27,700 for a <a href="#"><i>joint return</i></a> , \$13,850 for a single filer, and \$20,800 for a <a href="#"><i>head of household</i></a> .
<b>State Board of Equalization</b>	Taxes	A board of review led by the Commissioner of Revenue, which oversees property assessment practices around the state. The Board uses a <a href="#"><i>sales ratio</i></a> study to evaluate and—when necessary—adjust taxable market values for a specific class within a specific geographical boundary where market values are found to be inconsistent with actual sales prices.
<b>State Board Order</b>	Taxes	An order issued by the <a href="#"><i>State Board of Equalization</i></a> requiring that assessed values for a given class within a given geographical boundary be adjusted - usually upward - to reflect the true estimated market value of the class of property in question, based on actual sales prices and other information from the <a href="#"><i>Certificate of Real Estate Value (CRV)</i></a> .

Term	Subject	Description/Definition
<b>Statewide Property Tax or State General Levy</b>	Taxes	Created in 2001 as a part of the property tax reform initiative, this tax is levied on seasonal-recreational, commercial-industrial and public utility property. Each property's tax is determined by multiplying its net tax capacity by the state tax rate, with only two exceptions: 1) an exclusion of the first \$100,000 of market value for commercial/industrial property, and 2) for noncommercial seasonal-recreational property valued under \$76,000, the tax rate is levied at forty percent of the full rate. Revenues are deposited to the state general fund.
<b>State General Levy Market Value Exclusion</b>	Taxes	Created in 2017 tax act, this property tax relief program excludes up to \$100,000 of market value of a commercial, industrial and utility property for purposes of determining its net tax capacity-based tax.
<b>Student Loan Interest Deduction</b>	Taxes	Federal income tax deduction for up to \$2,500 of interest paid on qualifying student loans for post-secondary education. For 2019 returns, the credit is limited to married filing joint taxpayers with modified adjusted gross income below \$170,000 (\$85,000 single or head of household).
<b>Sustainable Forest Land Credits</b>	Taxes	State paid reimbursements to counties for property tax relief to landowners who practice long-term forest management in accordance with the Sustainable Forest Incentive Act of 2001 (SFIA). Program participants receive an annual payment based on current land-use practices required by a covenant agreement.
<b>Taconite Homestead Credit</b>	Taxes	A property tax credit for residential homestead property located in a taconite tax relief area, where taconite production companies pay a production tax in lieu of certain property taxes. The maximum credit amount is either \$289 or \$315, depending on the property's location.
<b>Targeting Refund (or Special Property Tax Refund)</b>	Taxes	A state property tax relief program that "refunds" part of the local property tax bill to the owners of residential homestead property, when there is a relatively large one-year increase (greater than 12 percent and over \$100) in property taxes. (See <a href="#">Property Tax Refund</a> .)
<b>Tax Amnesty</b>	Taxes	Allows those who have underpaid taxes to avoid criminal penalties if they pay past-due tax within a specified time period. May apply to those who failed to file a tax return, underreported their tax liability, or have outstanding balances. Usually waives tax penalties and some or all interest charges as well. May apply to one tax or to all taxes. Minnesota does not currently have any tax amnesty programs in effect.

Term	Subject	Description/Definition
<b>Tax Capacity</b>	Taxes	<p>A term used to describe the “property taxable base” of either a taxing jurisdiction or of a single parcel of property. The tax capacity of an individual property is defined as the estimated market value (<a href="#">EMV</a>) of the parcel of property multiplied by the appropriate class rate. The tax capacity of a county, for example, is the sum of the tax capacity of all parcels of property in that county. (Also see <a href="#">ANTC</a>, Education section.)</p> <p><i>Total Tax Capacity</i> – The sum of the tax capacities of all parcels at property within a given area, plus adjustments for fiscal disparities, tax increment financing districts and power line properties.</p>
<b>Tax Court</b>	Taxes	The three-judge court created in M.S. Ch. 271 as an independent agency of the executive branch of government, with statewide jurisdiction for hearings and determinations of law arising under the tax laws of the state. Members are appointed by the Governor with the advice and consent of the Senate.
<b>TCJA – The Tax Cuts and Jobs Act of 2017</b>	Taxes	Public Law 115-97 was enacted on December 22, 2017. The federal law significantly affected the definition of federal taxable income by repealing or changing several deductions and exclusions. Most of the individual income tax changes are effective for tax year 2018 through 2025 and most of the business tax changes are effective tax year 2018.
<b>Tax Expenditure</b>	Taxes	Revenue losses attributable to <a href="#">tax preferences</a> such as exemptions, deductions, reduced rates, credits and deferrals of liability. As a means to promote a public policy goal, a tax expenditure is an alternative to a direct expenditure or a mandate. Unlike direct appropriations, tax expenditures are not usually time-limited and need not be re-enacted. The Department of Revenue calls a provision a <i>tax expenditure</i> if it meets <i>all</i> of these criteria: (1) it has an impact on a tax that is applied statewide; (2) it confers preferential treatment; (3) it results in reduced tax revenue in the applicable fiscal years; (4) it is not an appropriation; (5) it is included in the defined tax base; (6) it is not subject to an alternative tax; and (7) it can be amended or repealed by a change in state law alone. The revenue impact of Minnesota tax expenditures can be found in the <a href="#">Minnesota Tax Expenditure Report</a> , published by the Department of Revenue every two years).
<b>Tax Expenditure Review Commission (TERC)</b>	Taxes	The Tax Expenditure Review Commission reviews Minnesota's tax expenditures and evaluate their effectiveness and fiscal impact. In the first three years after the commission is established, the commission must complete an initial review of the state's tax expenditures. The initial review must identify or

Term	Subject	Description/Definition
		<p>propose the purpose of each of the state's tax expenditures, if none was identified in the enacting legislation. The commission may also identify metrics for evaluating the effectiveness of an expenditure.</p> <p>Following the year of the initial review, the commission must review and evaluate Minnesota's tax expenditures on a regular, rotating basis and establish a review schedule that ensures each tax expenditure will be reviewed by the commission at least once every ten years.</p> <p>Before December 1 of the year a tax expenditure is included in a commission report, the commission must hold a public hearing on the expenditure. By December 15 of each year, the commission must submit a written report to the legislative committees with jurisdiction over tax policy.</p>
<b>Tax Gap</b>	Taxes	A term used to describe the difference between the amount of taxes paid to Minnesota by businesses and individuals and the amount that should have been paid.
<b>Tax Preference</b>	Taxes	Non-taxability of an otherwise-taxable item of income, consumption or expenditure.
<b>Tax Rate</b>	Taxes	<p>Percentage or proportional application of a tax.</p> <ul style="list-style-type: none"> <li>• ETR, <i>Effective Tax Rate</i> – Total tax payments as a percent of income (normally, gross income). May apply to a given tax, such as the individual income tax, or to the total tax burden for an individual, couple, family, household, income group or, an economic sector.</li> <li>• Local Tax Rate – The rate of tax determined by dividing the amount of a local government's property tax <a href="#">levy</a> by the total <a href="#">tax capacity</a> of all taxable properties within that local government's taxing jurisdiction.</li> <li>• Total Local Tax Rate – The sum of <i>local tax rates</i> levied on a parcel of property. A property located in a county with a 50 percent tax rate, a city with a 25 percent tax rate, a school district with a 25 percent tax rate, and special taxing district with a 5 percent tax rate is said to have a total local tax rate of 105 percent.</li> </ul>

Term	Subject	Description/Definition
		<ul style="list-style-type: none"> <li>• <b>Marginal Tax Rate</b> – The rate of tax on an incremental unit of income (e.g., the last taxable dollar or the next dollar earned).</li> </ul>
<b>This Old House</b>	Taxes	For property tax purposes, delayed and phased-in recognition of taxable market value increases resulting from improvements made by the owner to a qualifying residential homestead. Under current law, valuation deferral is no longer available for improvements completed after January 1, 2003. Improvements completed before that time will continue to receive the deferral until the property is transferred or the value is added to tax rolls as per current law requirements.
<b>TIF, Tax Increment Financing</b>	Taxes	<p>A development tool used by city governments and qualifying development authorities that allows the additional property taxes generated by a new or improved development (known as the tax increment) to be used to pay for the costs of the development if the city or authority finds that the development would not occur without such assistance. Thus, the added property taxes generated from a development pay for the cost of acquiring the land, preparing the site, or other development costs instead of paying for the cost of general government provided by all units of government in which the development is located.</p> <ul style="list-style-type: none"> <li>• <b>Tax Increment</b> – The difference between the “base amount” of property tax revenue generated by the parcel(s) located in a tax increment district - generally defined as the amount of tax revenue that was being generated prior to the designation of a tax increment district - and the amount of property revenue generated after the development in the district has occurred.</li> <li>• <b>Tax Increment District</b> – The geographic area that includes the parcels of property expected to directly benefit from tax increment financing and from which tax increment will be captured. The duration of a tax increment district is statutorily limited depending on the type of district and when it was established. Only after a tax increment district has expired is the additional property tax revenue generated by a development distributed to all local taxing jurisdictions in the same proportion as are other property tax revenues.</li> </ul>
<b>Township Aid</b>	Taxes	A state-paid, general purpose aid distributed annually to Minnesota’s 1,783 townships using a formula that includes agricultural property valuation, town acreage and population.

Term	Subject	Description/Definition
Truth-in-Taxation, “T-in-T”	Taxes	A process designed to involve citizens in local government before those governments make budget and tax decisions. Each December, notices are sent to homeowners and published in local newspapers informing citizens of proposed property tax increases. Citizens are invited to attend a public hearing with local elected officials to voice their opinion about proposed levies and budgets, or other concerns.
Unemployment Insurance Tax (technically, the <i>reemployment insurance tax</i> )	Taxes	An employer tax deposited in the Minnesota Unemployment Compensation Fund to pay benefits to eligible unemployed workers. Administered by the Department of Economic Security under federal law. (See <a href="#">FUTA</a> .)
UBIT – Unrelated Business Income Tax	Taxes	A federal and state tax paid by tax-exempt organizations on income attributable to activities unrelated to their exempt purposes.
Use Tax	Taxes	Companion to the sales tax, this tax applies to use or consumption in Minnesota by individuals and businesses that buy or lease taxable goods and services out of state or from out-of-state firms. The tax is meant to prevent evasion of the sales tax, equalize the tax burden on in-state and out-of-state purchases, and provide a level playing field for competing sellers. An individual may purchase up to \$770 worth of otherwise-taxable items in a calendar year exempt from the use tax, under the <i>de minimis</i> exemption. Local sales taxes also have companion use taxes.
UTJ – Unique Taxing Jurisdiction	Taxes	A geographical region with a unique total local tax rate, meaning that the sum of the county, city or township, school district, and any special taxing district is unique. In other words, any two properties located in the same county, city or township, school district, and all special taxing districts are said to be in the same UTJ.
Withholding	Taxes	Taking out part of an employee’s wage or salary, through payroll deduction, as a deposit for future tax liability. (Withholding also applies to some forms of non-wage income.)



## Transportation

Term	Subject	Description/Definition
<b>Advanced Construction</b>	Transportation	An obligation that is incurred based upon the anticipated receipt of future federal funds, which assists the MnDOT with bidding projects in their entirety rather than bidding them as a series of contracts over several years. As an example, if the Department lets a contract that will be completed over three years, federal funds from each of those three years can be committed to the project at the date of letting.
<b>CMAQ, <i>Congestion Mitigation and Air Quality</i></b>	Transportation	Flexible federal funds that can be used for highway projects or for mass transit needs with a goal of reducing congestion and improving air quality. The funds are awarded to competing projects by the Metropolitan Council.
<b>Congestion Pricing</b>	Transportation	A term used for describing a type of tolling in which motorists are charged a fee to use a roadway, bridge, or tunnel during certain times of the day. Fees are based on the traffic flow in the corridor and are set to decrease congestion. As an example, the MnPASS Express Lanes on I-394 between Minneapolis and the western suburbs use congestion pricing, as well as I-35W south of Downtown Minneapolis, and I-35E north of Downtown St. Paul.
<b>COVID-19 Federal Funding Acts 2020-2021, Coronavirus Aid, Relief, and Economic Security (CARES) Act, Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (CRRSA), American Rescue Plan Act of 2021 (ARP)</b>	Transportation	These three Federal funding acts provided funding during the COVID-19 Pandemic for many state Transportation budget areas but especially for Transit and Airports. These funds were used to offset declines in fare revenue for transit systems and landing fees for airports, as well as other transportation revenue streams negatively affected by the COVID-19 pandemic.
<b>CSAH, <i>County State Aid Highway Fund</i></b>	Transportation	A fund established by the state constitution for distribution of a portion of the highway user tax distribution fund for construction and maintenance of county roads. Further distribution to each of the counties is prescribed in state statute.
<b>Debt Management Policy (Trunk Highway Fund)</b>	Transportation	Policy issued by MnDOT on July 1, 2010, related to trunk highway bonds. The policy states: (1) debt service payments for trunk highway bonds should not exceed 20 percent of annual state revenues to the trunk highway fund; (2) additional debt service should not reduce the adopted statewide transportation improvement program (STIP); (3) the use of trunk highway bonds will be based on statewide

Term	Subject	Description/Definition
		policies and will only be used for capitalizable assets with the useful life exceeding the term of the bonds.
<b>Driver Services Operating Account</b>	Transportation	An account within the special revenue fund in which revenues from fees related to driver services, such as licensing fees, are deposited.
<b>Five-Percent Set-Aside</b>	Transportation	The Constitution mandates that five percent of the net funds within the highway user tax distribution fund be set-aside for highway purposes outlined in law. These funds are currently split between three accounts: flexible highway account (53.5 percent), town road account (30.5 percent), and town bridge account (16 percent).
<b>Flexible Funds</b>	Transportation	Funds that are not dedicated to a specific purpose but may be used for several different uses such as transit operation, highway construction, transit capital, etc.
<b>Flexible Highway Account</b>	Transportation	An account created in the state treasury in which 53.5 percent of the five percent set-aside funds are deposited. Money within this account may be used for metropolitan area roads, routes of regional significance, safety improvements, and turnbacks.
<b>GARVEE Bonds</b>	Transportation	Bonds issued for transportation purposes with a portion of the state's future federal funds pledged as the repayment source.
<b>Highway Debt Service</b>	Transportation	Debt service paid from the trunk highway fund to pay principal and interest on trunk highway bonds.
<b>HOT Lane, High Occupancy Toll Lane</b>	Transportation	A road pricing strategy that gives motorists in single-occupant vehicles access to high occupancy vehicle (HOV) lanes. In Minnesota, tolls are collected based on information generated from transponders located in the motorist's vehicle.
<b>HUTD, Highway User Tax Distribution Fund</b>	Transportation	A fund established by the Minnesota Constitution to distribute motor fuels tax, vehicle registration tax, and a portion of motor vehicle sales tax revenues. Five percent of the total funds are set aside for various highway purposes (see also 5-Percent Set-Aside). The remaining funds are distributed as follows: 62 percent to the trunk highway fund, 29 percent to the county state-aid fund, and 9 percent to the municipal state aid fund.
<b>The Infrastructure Investment and Jobs Act (IIJA)</b>	Transportation	This Federal Transportation Act passed in 2021 both reauthorized the five-year surface transportation programs (Federal Fiscal Years 2022-2026) and established new federal

Term	Subject	Description/Definition
		funding programs for Transportation. Minnesota's estimated five-year apportionment under IJA is \$4.8 billion, assuming congress annually appropriates at IJA amounts. The IJA also included fund for transit operations and capital, Eclectic vehicle infrastructure and aeronautics among other things.
<b>MAC, Metropolitan Airports Commission</b>	Transportation	Governmental agency responsible for operation and maintenance of public airports within the seven county metro area.
<b>Metropolitan Council Transit</b>	Transportation	The agency that supplies bus and rail service to the Twin Cities metro area. Operates both regular route service and Metro Mobility.
<b>Metro Mobility</b>	Transportation	The provider of transit services for commuters with disabilities in most of the Twin Cities area.
<b>MnDOT, Minnesota Department of Transportation</b>	Transportation	The state agency responsible for road construction and maintenance, as well as airports, waterways, and railroad regulation.
<b>Motor Fuels Excise Tax (Gas Tax)</b>	Transportation	<p>Levied at a rate of 25 cents per gallon on gasoline and diesel fuels used in highway vehicles, aircraft, boats, snowmobiles and all-terrain vehicles. In addition to the gas tax, there is a debt service surcharge. The revenue from the surcharge is earmarked for the debt service on the trunk highway bonds.</p> <p>The State Constitution requires that the tax on highway fuels go to the highway user tax distribution fund for road construction, leaking underground storage tank clean up, and petroleum grade inspection. The tax on aviation fuels goes to the state airports fund. Estimated tax used by boaters, snowmobiles, and all-terrain vehicles are dedicated for natural resources and trail development. (Lower tax rates apply to some alternative fuels.)</p>
<b>Motor Vehicle Lease Sales Tax</b>	Transportation	Applies to long-term vehicle leases and is applied at the same rate as the sales and use tax of 6.875 percent. Receipts are split among the general fund and two transportation-related funds. Under current law, 38 percent is for the County State Aid Highway Fund, 38 percent is for Greater Minnesota Transit assistance, 13 percent is for local bridge repair and replacement, and 11 percent is deposited in the Highway User Tax Distribution Fund. Revenues deposited into the county state-aid highway fund are only available for Anoka, Carver, Dakota, Scott, and Washington counties' state aid county highways.

Term	Subject	Description/Definition
<b>Motor Vehicle Registration Tax (Tab Fees)</b>	Transportation	Annual tax imposed at registration of motor vehicles using the public streets and highways, evidenced by a license plate with current year tag. Administered by the Department of Public Safety, revenues are deposited in the highway user tax distribution fund.
<b>Motor Vehicle Parts Attributed Sales Taxes</b>	Transportation	Replacement and repair parts for motor vehicles are subject to the state general sales tax rate at 6.5 percent (plus the legacy rate of 0.375 percent, and any local sales taxes). Based on a change in the 2017 legislative session a portion of the proceeds from the general sales tax attributed to motor vehicle repair and replacement parts will be transferred to the Highway User Tax Distribution fund, the remaining amount will be deposited into the state general fund.
<b>MNLARS, Minnesota License and Registration System</b>	Transportation	The computer system under development from 2008 to 2017 intended to replace an older mainframe system used to process driver license and vehicle transactions. MNLARS was replaced with another system, called MNDRIVE in November 2020.
<b>Motor Vehicle Rental Taxes</b>	Transportation	Short term vehicle rentals are subject to the state general sales tax rate at 6.5 percent (plus the legacy rate of 0.375 percent, and any local sales taxes), plus an additional 9.2 percent tax. The proceeds of which are statutorily dedicated to the Highway User Tax Distribution Fund.
<b>MVST, Motor Vehicles Sales Tax</b>	Transportation	Applies to purchases of motor vehicles required to be registered in Minnesota; applies at the same rate as the state general sales and use tax of 6.5 percent. Sixty percent of the revenues from the Motor Vehicles Sales Tax is required to be deposited into the HUTD. The remaining 40 percent is dedicated to public transit, with 36 percent going to metro transit and 4 percent going to greater Minnesota transit). This tax is also known as motor vehicle sales tax, MVST. (The tax was formerly called the motor vehicle excise tax, or MVET.)
<b>MSAS, Municipal State Aid Streets Fund</b>	Transportation	A fund established by the state constitution for distribution of a portion of the highway user tax distribution fund for construction and maintenance of local roads. The funds flow to cities with populations over 5,000 for local street use.
<b>RALF, Right-of-Way Acquisition Loan Fund</b>	Transportation	A fund in which revenues from a local property tax levied by the Metropolitan Council are deposited. A cap exists on the amount the Metropolitan Council may levy, and monies within this fund may be used for loans to local units of

Term	Subject	Description/Definition
		government for purchasing right-of-way prior to beginning a highway project.
<b>State Airports Fund</b>	Transportation	Major revenue sources for this fund include the flight property tax, aviation fuel tax, and aircraft registration tax. Appropriations are made from this fund to MnDOT to provide financial and technical assistance to Minnesota airports.
<b>State Transportation Fund</b>	Transportation	Proceeds from state transportation bonds (form of general obligation bonds) are deposited in this fund for acquisition and betterment of public land, buildings, and other capital improvements related to the state's transportation system. The money within this fund cannot be comingled with money in the highway user tax distribution fund.
<b>STIP, State Transportation Improvement Plan</b>	Transportation	A document published annually by the MN Department of Transportation on the four-year schedule of funding for state and local transportation projects, including projects receiving federal highway and/or federal transit funding as well as projects funded with only state funds. Rail, port, and aeronautic projects are also included for informational purposes only. Projects are listed by state fiscal year.
<b>Statewide Transportation Policy Plan</b>	Transportation	A document developed by MnDOT outlining a vision for Minnesota's transportation system, including challenges and opportunities for meeting that vision. This plan is developed in conjunction with the Statewide Highway Investment Plan.
<b>Statewide Highway Investment Plan</b>	Transportation	A document identifying the investments necessary to meet system performance targets and priorities for available funding. This plan is developed in conjunction with the Statewide Transportation Policy Plan.
<b>Technology Surcharge</b>	Transportation	A fee imposed on all driver's license and vehicle transactions established to fund the MNLARS system, and later the replacement for MNLARS MNDRIVE. The Surcharge has been at varying amounts, and is currently at \$2.25 per transaction.
<b>Town Bridge Account</b>	Transportation	An account created in the state treasury in which 16 percent of the five percent set-aside funds are deposited. The funds within this account may be used for town bridge replacement and related work.
<b>Town Road Account</b>	Transportation	An account within the county state aid highway fund in which 30.5 percent of the five percent set-aside revenues are statutorily dedicated. Funds within this account are distributed to counties based on the number of town road

Term	Subject	Description/Definition
		miles within the county, and the funds can be used for town road construction and maintenance.
<b>Transit Assistance Fund</b>	Transportation	A fund established during the 2007 legislative session that replaced the greater Minnesota transit fund and metropolitan area transit fund. It includes two accounts (greater Minnesota transit account and the metropolitan area transit account). Revenues dedicated to transit from the sales tax on motor vehicles as well as the motor vehicle lease sales tax are deposited in this fund.
<b>Transit Taxing District</b>	Transportation	A geographical region within the seven-county metropolitan area that is used by the Metropolitan Council to levy a property tax for transit capital.
<b>TRLF, <i>Transportation Revolving Loan Fund</i></b>	Transportation	A revolving fund set up to advance road construction and transit projects. Seed money is used to leverage an issuance of bonds through the Public Facilities Authority. Proceeds are loaned to local governments, MnDOT and the Met Council at a low rate of interest to speed up projects that do not fit within current budgets. The loan fund is generally used when it is financially beneficial, when inflation of a given project is greater than the available interest rate.
<b>Trunk Highway Bonds</b>	Transportation	General obligation (GO) bonds issued to pay for construction projects on the trunk highway system. Trunk highway projects may not be funded by GO bonds backed by the general fund as required by the State Constitution Art XIV Section 11. Trunk highway bonds must be repaid from highway-related revenues.
<b>Trunk Highway Fund</b>	Transportation	A fund established by Article XIV, Section 6 of the State Constitution to pay for the Minnesota trunk highway system. The trunk highway fund receives a portion of state transportation revenue from the highway user tax distribution fund. (See also <i>HUTD</i> .) MnDOT adopted a policy on July 1, 2010, regarding the undesignated, unreserved fund balance, which should not fall below: (1) 6 percent of annual projected state revenues to the fund, plus; (2) 2 percent of authorized but unissued debt, plus; (3) an amount estimated for the future debt service funding shortfalls for years where debt service is projected to exceed 20 percent of annual state revenues.
<b>Vehicle Services Operating Account</b>	Transportation	An account within the special revenue fund in which revenues from fees related to vehicle services, such as license plate and titling fees, are deposited.