



Governor Tim Pawlenty's 2004 Capital Budget Recommendations

This paper summarizes the Capital Budget recommendations submitted to the Legislature by Governor Tim Pawlenty. Part one provides an overview of the capital budget recommendations. Part two provides detailed recommendations organized according to the jurisdictions of the House of Representatives' fiscal committees.

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Capital Budget Overview

On January 14, 2004, Governor Pawlenty introduced his capital budget recommendations for the 2004 legislative session. Nearly \$1.58 billion worth of project requests were submitted for consideration by the Governor, and of those submitted, Governor Pawlenty recommends \$760 million worth of new requests and governor's initiatives.

Of the \$760 million in recommendations, \$688 million will be paid for with general obligation or GO bonds, with debt service coming from the state's general fund. The remaining \$70 million in projects will be paid for from other sources such as user financing and the trunk highway fund.

Planning estimates (included in the November 2003 forecast) for the 2004 bonding bill set aside sufficient debt service for \$530 million in general obligation bonding in the 2004 legislative session. The Governor's recommendations of \$688 million will require additional dollars from the general fund to pay debt service over what had been set aside in the 2003 budget. An increase in debt service of \$3.6 million for FY 2005 would be necessary to meet the additional obligation. The Governor's recommendations also include \$13.6 million from the general fund in the current biennium for projects that require cash and for debt forgiveness aimed at reducing the financial burden of the Minnesota Zoo. In total, the Governor's recommendations require an additional \$17.3 million from the general fund in fiscal 2005.

Table 1

Governor's Recommended Capital Budget	
<i>(dollars in thousands)</i>	
Finance Area	Recommended Spending
New Projects:	
K-12 Education	\$30,333
Higher Education	\$165,232
Economic Development	\$100,626
Environment	\$161,932
Transportation	\$102,300
State Government	\$54,997
Health and Human Services	\$21,241
Judiciary Finance	\$105,433
Grants to Political Subdivisions	\$16,865
Bond Sale Expenses	<u>\$736</u>
GO Bonds	\$688,015
General Fund	\$12,644
Trunk Highway Fund	\$6,800
Trunk Highway Bond	\$18,700
User Financed	<u>\$32,834</u>
Total All Funds	\$759,695

Along with \$688 million in recommended general obligation spending, the Governor recommends

\$6.8 million in trunk highway cash, and \$18.7 million in trunk highway bonds to fund improvements in facilities owned by the Department of Transportation. In addition, Governor Ventura recommends \$12.6 million in general fund cash projects and \$32.8 million in user financed projects. User financed debt service can be in the form of charges to higher education institutions for one third of the cost of new construction projects, or in the form of loan programs that are repaid by the borrower, such as agricultural loans. Table 1 (previous page) outlines recommended spending by category.

Debt Capacity

Minnesota's debt capacity is an estimation of how much the state can borrow, projected for the current year or biennium. During the state financial crunch of the late seventies, the state's bond rating fell from a "AAA" rating, the highest possible rating, to a "AA" rating. Bond ratings denote the financial strength of the borrower. A highly rated bond is a safer investment, but brings a lower rate of return to the investor. Because the lower bond rating signifies a riskier investment, it carries a higher rate of return for the investor. A drop to "AA" rating caused the state to pay a higher rate of interest on its' bonds and reduced the amount that the state could afford to borrow.

During the end of the Perpich administration and throughout the Carlson administration, the governors worked with the Department of Finance to establish a debt management policy to restore the state's AAA rating. Several strict policies were adopted to manage debt and keep limits on spending. Even though the policies were put into place in late 1979, it was not until 1997 that the AAA rating from all three rating agencies, Moody's, Fitch's, and Standard and Poor's, had been restored. The state had spent millions in higher debt costs over the seventeen year period due to the lower rating, but the debt management policies and a strong Minnesota economy helped the state once again attain the AAA rating.

Of all the debt management guidelines, the most commonly known policy is referred to as the "three percent guideline". This rule states that the appropriation for general fund debt service shall not exceed three percent of non-dedicated general fund revenues for a given biennium. Simply stated, the policy dictates that up to three percent of non-dedicated general fund revenues can be used to make payments on money the state borrows, giving the state a self imposed credit limit.

Minnesota currently has \$3.28 billion in outstanding general obligation bonds. The payments on these bonds currently consume 2.32% of general fund revenues. The Department of Finance then calculates the maximum capacity, or how much the state can borrow and prevent the payments on those bonds from consuming more than three percent of general fund revenues.

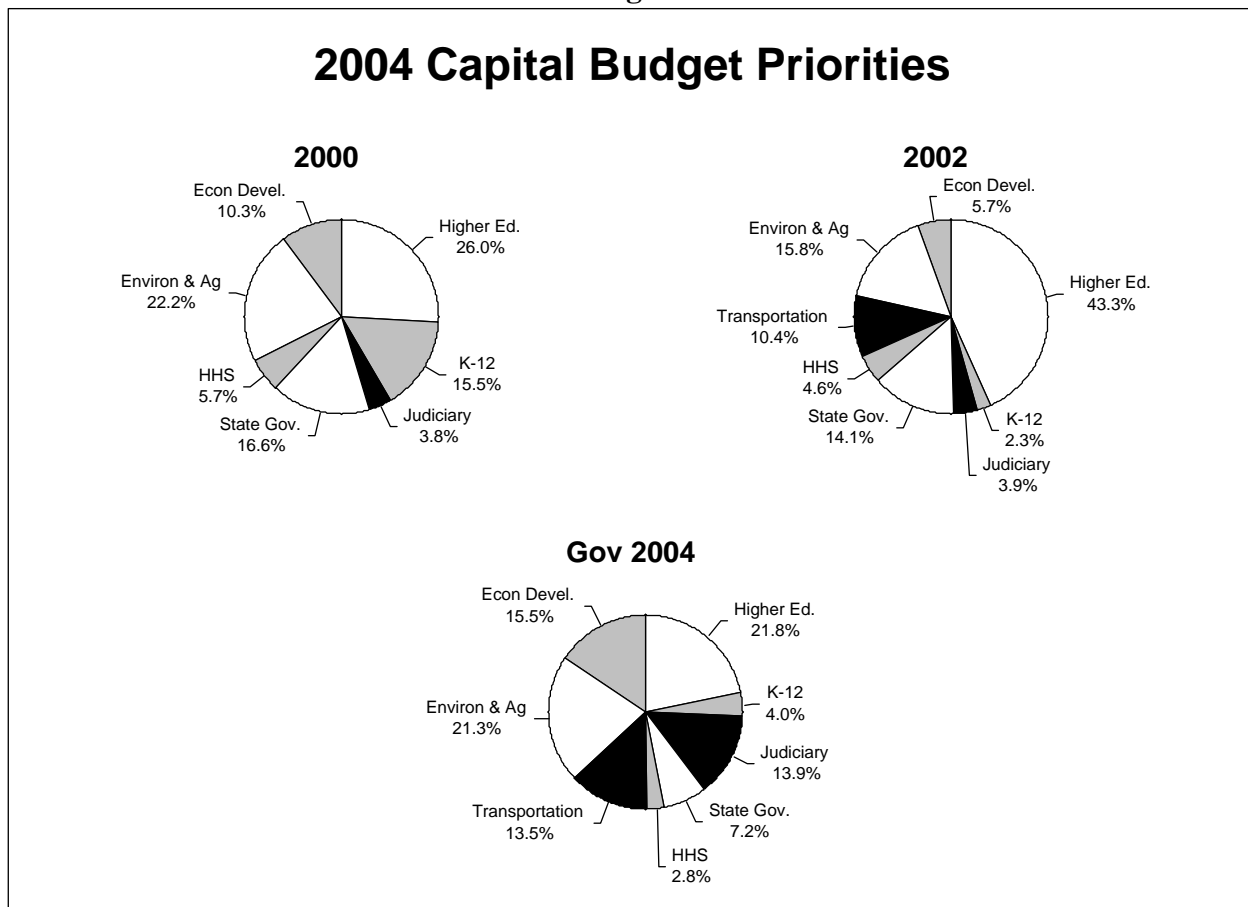
Given the current economic downturn, Minnesota's maximum debt capacity has shrunk from one year ago. Our state's debt capacity peaked at about \$1.2 billion per biennium, but now has decreased to \$990 million per biennium, but a maximum of \$890 million in the 2004 session.

Though the state still carries a AAA rating from Fitch and Standard & Poor, Moody's has slightly

downgraded the rating to Aa1. The rating downgrade was due mainly to Minnesota's deficit problems and sluggishness of the state's economy. Given the continued slow growth and deficit projected in the November 2003 forecast, additional downgrades of the bond rating are possible. Rating agencies look at several factors when assessing credit worthiness, such as maintaining structural budget balance into the future and the level of budget reserve accounts. If the rating is downgraded further, the state would pay higher borrowing costs and have a lower debt capacity in the future.

The Governor's 2004 recommendations are compared with recent bills in Figure 1.

Figure 1



For further information on Capital Budget issues contact John Walz, at 296-8236 or John.Walz@house.leg.state.mn.us

K-12 Education

The Governor's capital budget recommendations for the K-12 area include projects that range from school construction and renovation to state agency asset preservation. Of the \$47.4 million requested by the agencies, the Governor's recommendation in this area total \$30.3 million, with \$1.8 million designated for the Perpich Center for Arts Education, \$35.6 million designated for the Department of Education and \$7.3 million for the Minnesota State Academies for the Deaf and Blind.

Perpich Center for Arts Education

- \$558,000 for asset preservation designated for fencing, a sewer line and sidewalk and road repairs. An additional \$479,000 the Center had requested for roof repair on the East Wing was not recommended.
- \$525,000 for demolition of the Beta Building, a storage building which in its present state cannot be entered.
- \$746,000 for renovation of the Alpha Building for use as a storage facility. The building requires a new roof, new windows and doors, asbestos abatement and interior remodeling to make it useful to the Center.

Department of Education

- \$1.1 million for predesign, design, and construction for the Grant Magnet School in Duluth. The project will encompass construction of an addition of a 6,300 square foot multipurpose space (including a gymnasium, state and locker facilities) as well as remodeling of the existing building. This project was funded in 2000 with a Youth Enrichment Grant that was eliminated as part of the 2003 unallotment process after the project was delayed.
- \$22.1 million for a capital loan for the Red Lake School District to construct a new middle school facility. The district had requested \$33.4 million that would have allowed for construction of the middle school, as well as allowing for additions and renovations to the high school.
- \$1.1 million for completion of land acquisition for the Crosswinds Interdistrict Arts and Science Middle School in Woodbury. The school is currently being operated, and was constructed with \$22.8 million in state funds provided in previous years. The additional \$1.1 million is to fund excess land acquisition costs due to court-supervised mediation of complaints about payments for property that had previously been condemned for construction of the school. Total land acquisition cost is \$4.0 million.

Minnesota State Academies

- \$4.3 million for asset preservation at both the Minnesota State Academy for the Blind and the Minnesota State Academy for the Deaf. Projects included in this recommended amount include roof, door and window replacements, air quality improvements and installation of fire protection systems.

Implications

The largest project in this area is the \$22.1 million capital loan for the Red Lake School district. Currently, the district is experiencing unexpected increase in enrollment and crowding of facilities. Further, there is a desire on the part of the Red Lake community to remove the middle school from its current co-location with the high school. Lastly, the Red Lake School District has little ability to fund construction projects due to the lack of taxable property in the district. Including the 2000 and 2002 capital loans to the district, the State has provided the district with 23.6 million.

For further information on K-12 Education issues contact Greg Crowe at (651) 296-7165 or greg.crowe@house.mn

Higher Education

Minnesota State Colleges and Universities (MNSCU)

The Governor's capital budget recommendations for the Minnesota State Colleges and Universities includes user finance bonding of \$88.6 million for general building repair and maintenance and major building projects. The State would pay \$75.4 million of the costs and the Minnesota State Colleges and Universities would be responsible for \$13.2 million in debt service. The Governor's recommendations include the following:

- \$49 million for Higher Education Asset Preservation and Renewal (HEAPR). MNSCU requested \$90 million for HEAPR projects. The statutory definition of HEAPR projects (M.S. 135A.046) includes code compliance, Americans with Disabilities Act requirements, hazardous materials abatement, access and air quality improvements, building or infrastructure repairs to preserve the interior or exterior of existing buildings, and renewal to support the existing programmatic mission of the campuses. Debt service is not assessed to the system on HEAPR appropriations.
- \$10.2 million to fully renovate Pasteur Hall at Winona State University. This is the second phase of reconstruction of science facilities on the Winona State campus. The 2002 bonding bill funded construction of a new science classroom and lab addition which will allow the complete renovation of Pasteur Hall.
- \$9.6 million to fully renovate Hagen Hall at Minnesota State University, Moorhead. This is the second phase of reconstruction of science facilities on the Moorhead campus. The 2002 bonding bill funded construction of a new science classroom and lab addition which will allow the complete renovation of Hagen Hall.
- \$4.5 million to renovate space for a Technology Center at Century Community and Technical College. This renovates space acquired from intermediate school district 916 in the 2002 bonding bill as well as some additional space on the east campus of Century Community College for computer labs and technology-enhanced classrooms.
- \$2.9 million to continue renovation of Centennial Hall at St. Cloud State University. This continues the renovation of Centennial Hall for use as the Herberger College of Business. The 2002 bonding bill included \$10 million for the first phase of this project.
- \$980,000 for science classroom renovations at St. Cloud Technical College. The campus requested \$13.9 million for renovation of the "G" wing of the college. In addition, the systemwide science lab request included funding for other renovations at the campus. The Governor recommends funding of \$980 thousand for only the science classroom portions of each request.

- \$3 million for systemwide science lab renovations. Renovates individual laboratories on multiple campuses. The system requested \$8.9 million for this project.
- \$2 million for Workforce Training Classrooms. Renovates unused classroom or lab space from closed programs into space for high growth academic programs in areas where there are workforce needs in Minnesota. The system requested \$5.6 million for this project.
- \$1.7 million for systemwide demolition projects. This proposal would demolish 97,000 square feet of obsolete space on ten campuses, eliminating \$7.6 million in deferred maintenance. The system requested General Fund dollars for this project, however, the Governor recommends user financed bonding.

Requested projects not recommended by the Governor include 22 projects worth \$186.3 million.

University of Minnesota

The Governor's capital budget recommendations for the University of Minnesota includes general obligation bonding of \$76.6 million for building repair and maintenance and major facility renewal. The Governor's recommendations include the following:

- \$38 million for Higher Education Asset Preservation and Renewal (HEAPR). The statutory definition of HEAPR projects (M.S. 135A.046) includes code compliance, Americans with Disabilities Act requirements, hazardous materials abatement, access and air quality improvements, building or infrastructure repairs to preserve the interior or exterior of existing buildings, and renewal to support the existing programmatic mission of the campuses. Debt service is not assessed to the system on HEAPR appropriations.
- \$39 million for major facility renewal of 3 University buildings, the life sciences building on the Duluth campus; Kothoff Hall on the Twin Cities campus; and the MRRC building which will become Education Sciences. The University will fund an additional \$18.6 million for these 3 renewal projects. UMD life sciences and Kothoff Hall are new projects, the renovation of the MRRC facility has been on the Universities bonding list for several biennia.

Projects not recommended by the Governor include renovation of Academic Health Center education facilities, planning for a new business school building and construction of student athletic facilities at Duluth, a district heating/cooling and sports facilities project at Morris, and planning for a business school expansion and classroom facility at the Twin Cities. The Governor does

recommend \$20 million in funding for a collaborative biotechnology research project between the University and Mayo in Rochester. For more information on this project see the Department of Employment and Economic Development section.

For further information regarding Higher Education issues, contact Doug Berg at (651) 296-5346 or doug.berg@house.mn

Health and Human Services

The Governor recommends a capital bonding package for Health and Human Services of \$21.2 million in FY 2004, accounting for 2.8 percent of the total bonding package of \$760 million. Of this amount, \$14.2 million represents moneys for four activities in the Department of Human Services (DHS) and \$7.0 million for two projects for the Veterans Homes Board, primarily for maintenance and preservation activities at state-owned facilities.

In addition to these amounts, a total of \$6.2 million in general fund dollars is recommended for moving expenses for the Department of Health (MDH) and the Department of Human Services, scheduled for the fall of 2005. This funding is a portion of the Department of Administration's \$10.4 million Agency Relocation request, summarized in the State Government section of this document.

Department of Health

Through a Department of Administration request, the Governor recommends \$2.3 million in general funds to pay for moving costs, furniture and equipment lease-purchases, and incremental rent payments associated with the Department of Health's relocation to the new their new office and health laboratory facilities in the Capitol Complex. For more information, please see the Agency Relocation summary for Department of Administration under the House State Government Committee.

In addition to the moving cost, the agency's operating budget needs will be substantially higher after the agency moves into its new facility. According to information presented in the Governor's budget request, in FY 2006-07, the MDH will have increased operating costs of \$8.0 million as a result of increases in rent costs for furniture lease-purchase and building lease purchase costs. This cost is not an issue for the 2004 capital bill but will need to be considered by the Health and Human Services Finance Committee as part of the agency's operating budget in the 2005 legislative session.

Department of Human Services

The Governor recommends issuing general obligation bonds in the amount of \$14.2 million in FY 2004 for the following four projects in the Department of Human Services:

- \$3.0 million to begin planning, architectural design and preliminary construction documents for the addition of 150 new beds for the Minnesota Sex Offender Program at the St. Peter Regional Treatment Center (RTC);
- \$6.2 million for system-wide campus redevelopment, reuse and demolition costs at the state's regional treatment centers to maintain and preserve the integrity of these facilities. While some of this money will be used for demolition and site restoration at the St. Peter campus, most of the funding will cover demolition, redevelopment, and reuse costs at the Ah-Gwah-Ching, Brainerd, Fergus Falls, and Willmar campuses;
- \$1.0 million for system-wide roof repair and replacement projects located at the Brainerd, Cambridge, St. Peter and Willmar campuses;

- \$4.0 million to finance asset preservation projects at select RTC locations. Projects costs include professional services contracts, emergency lighting upgrades, elevator repairs, road and parking lot maintenance, hazardous material abatement, demolition, and site restoration activities.

While neither the roof-repair nor the asset preservation categories has a significant impact for DHS's ongoing maintenance costs, there will be changes in state operating costs associated with the Minnesota Sex Offender Program (cost increases) and the Campus Redevelopment (potential cost savings) proposals. Additional information regarding these impacts is currently being sought.

The Governor also recommends \$3.9 million in general funds to pay for moving costs, furniture and equipment lease-purchases, and incremental rent payments associated with DHS's relocation to their new office building located on the former Capitol Square site on Cedar Avenue. For more information, please see the Agency Relocation summary for Department of Administration under the House State Government Committee.

In addition to the moving cost, the agency's operating budget needs will be substantially higher after the agency moves into its new facility. According to information presented in the Governor's budget request, in FY 2006-07, DHS will have increased operating costs of \$10.7 million as a result of increases in rent costs for furniture lease-purchase and building lease purchase costs. This cost is not an issue for the 2004 capital bill but will need to be considered by the Health and Human Services Finance Committee as part of the agency's operating budget in the 2005 legislative session.

Veterans Homes Board

The Governor recommends issuing general obligation bonds in the amount of \$7.1 million in FY 2004 for the following two project categories:

- \$1.1 million for a sanitary waste pipe replacement project at the Minnesota Veterans Home in Minneapolis; and
- \$6.0 million for asset preservation activities, including renovation of central tub rooms and residence bathrooms in building 17 of the Minneapolis campus, exterior improvements to buildings 20, 23 and 30 at the Hastings campus, and many miscellaneous repairs to buildings at the Luverne, Silver Bay and Fergus Falls campuses.

Neither of these project categories has a significant impact for the ongoing operating costs of these Veterans Homes facilities.

Implications

The Governor's initiative to reduce the availability of emergency CAPRA funds in the Department of Administration has a direct impact on requests for funding in the categories of asset preservation and physical plant maintenance. While this initiative seeks to simplify the tracking of capital funds, several FY 2004 agency requests may appear to seek significant funding increases. However, in

actuality, a request may be simply attempting to capture historic levels of CAPRA funding.

The Governor's initiative to accelerate additional secure-bed capacity for the Minnesota Sex Offender Program includes a realignment of certain FY 2000 capital funds and the introduction of new construction by the FY 2006-07 biennium. Changes in FY 2004-05 operating costs and future costs associated with this initiative remain unclear at this time.

For further information on Health and Human Services finance issues contact Katherine Schill at 296-5384 or katherine.schill@house.mn

Judiciary Finance

The Governor's 2004 criminal justice capital budget recommends spending of \$105.433 million in general obligation bonds for the Department of Corrections. The funding is for the following four projects:

Department of Corrections

- \$74.891 million for the Minnesota Correctional Facility in Fairbault to construct three new 416 bed housing units that would increase capacity by 701 new beds. This is the number one priority for the Department and phase one of a two phase project. Phase two is estimated to cost an additional \$34.75 million and would add 359 new beds. The Department is projecting a lower per diem at Fairbault as a result of the increase in beds.
- \$11 million for asset preservation projects throughout the corrections system. This includes emergency lighting, roof replacement, window replacement, tuckpointing, and asbestos removal.
- \$19.192 million for the Minnesota Correctional Facility in Stillwater to construct a new 150-bed segregation unit.
- \$350,000 to the Challenge Incarceration program at Willow River for a prefabricated building to serve as a living unit. This would increase the capacity of this program by 24 beds.

Implications

The Department of Corrections has made increasing the number of prison beds as one of their top priorities. Three of the four recommendations are for new prison beds due to the projected increases in their inmate population. The current population projections show an increase of 2,113 inmates by 2010 from 7,579 to 9,692. The new beds will also increase the agency's operating costs. The legislature may also choose to look at alternatives to the Fairbault proposal such as a private company building and/or operating a new prison.

The Governor's bonding proposal did not include two projects that were in the Department of Corrections recommendations. The projects consisted of a new vocational building at Red Wing and a new activities building at Willow River.

For additional information on Judiciary Finance issues contact Gary Karger at 296-4181 or gary.karger@house.mn

Environment and Agriculture

The Governor's 2004 capital budget recommendations propose \$161.9 million of environment and agriculture related projects.

A summary of the governor's proposal by agency follows.

Governor's Recommendations (\$'s in thousands)	
Dept. of Agriculture	\$18,570
Dept. of Natural Resources	\$67,000
Office of Environmental Assistance	\$4,000
Pollution Control Agency	\$14,000
Water and Soil Resources Board	\$26,362
Minnesota Zoological Garden	\$25,000
Metropolitan Council	\$7,000
Total	\$161,932

The highlights of the Governor's recommendations for the agriculture and environment area by agency includes:

Department of Agriculture

- **Rural Finance Authority.** The Governor recommends \$18 million for the Rural Finance Authority loan programs. The programs provide below market rate interest loans to farmers. This request is user-financed; the debt service obligation of the state bonds sold for the program is repaid with the funds from the loan participant.
- **Agriculture Water Management.** This request is for \$570,000 to build infrastructure at University of Minnesota campuses to evaluate water management practices in agriculture.
- **Agriculture Department relocation.** The Dept of Administration has a request to relocate several state agencies into new facilities. The Dept. of Agriculture moving costs are \$1.764 million. In the request the increased costs operating costs for the agency resulting from the relocation is estimated to be \$5.598 million.

Department of Natural Resources

- **Flood hazard mitigation grants.** \$20 million is for projects located in the cities of Ada, Breckenridge, East Grand Forks, Montevideo, Roseau, and the Wild Rice Watershed.
- **Dam repair.** \$1 million is recommended for dam repair, reconstruction and removal projects.

- **Critical habitat match.** \$4 million to acquire or improve fish, wildlife, and native plant habitats through the matching program.
- **RIM-wildlife area land acquisition.** \$12 million is to acquire land for addition to public wildlife management areas. Approximately 11 thousand acres would be acquired.
- **Fisheries acquisition and improvement.** \$1.05 million to acquire aquatic management area parcels, and to make improvements to aquatic management areas.
- **Water access.** \$3.5 million is recommended for acquisition and construction of boat access sites, fishing piers and shore fishing sites.
- **Stream protection and restoration.** \$500,000 is to complete restoration projects on state waters including Hay Creek in Goodhue County and the Dark River in St. Louis County.
- **Reforestation.** \$3 million would be used to complete reforestation of 10 thousand acres of state forestlands.
- **Metro greenways.** \$1 million is to acquire natural areas within the metropolitan area.
- **Prairie Bank.** \$1 million is for acquisition and development of native prairie plant parcel.
- **Scientific and natural areas.** \$300,000 is to be used to acquire and develop SNA's statewide.
- **State trails.** \$2 million is to acquire and develop parcels of the state trail system. Projects include the Heartland, Paul Bunyan, Munger, Douglas and Gateway trails.
- **County Forest land reforestation.** \$1 million is for grants to counties to be used for reforestation on county lands.
- **Fish hatchery improvements.** \$1.75 million is for completing improvements to DNR fish hatchery facilities.
- **RIM-wildlife management area development.** \$600,000 is for improvements to WMA's throughout the state.
- **State forest land acquisition.** \$1 million to acquire private lands within state forest boundaries.
- **Forest roads.** \$1 million is to reconstruct, or replace forest roads and road bridges.

- **State park acquisition.** \$2 million is to acquire private land within state park boundaries. Parks along the Lake Superior North Shore are a priority of the request.
- **State park development.** \$3 million is for building, utility and natural resources rehabilitation projects within the park system. The department had requested \$18.2 million for this item.
- **Lake Superior safe harbors.** \$2 million is for continued development of safe harbors on Lake Superior.
- **Asset preservation.** \$2 million is to be used for maintenance and repair projects in existing DNR facilities statewide.
- **Field Office Renovations.** \$1 million is to be used to for field office facility improvement.
- **Office facilities development.** \$2.3 million is for projects to replace existing unsuitable work sites.

Office of Environmental Assistance

- **Capital assistance grants.** \$4 million is recommended for Capital Assistance Grants. These grants to local communities fund construction of facilities that promote composting, reduce waste, promote recycling, and produce energy from incinerating waste. \$22 million was requested by the OEA.

Pollution Control Agency

- **Closed landfill program.** \$14 million is to design and construct remedial systems at publicly owned mixed municipal solid waste landfills.

Water and Soil Resources Board

- **RIM reserve program and CREP.** The Governor requests \$20 million of bonding and \$2 million in general fund dollars. The program purchases conservation easements from landowners. The program seeks to improve water quality in lakes, rivers and streams as well as improve ground water quality. Previous spending on this project has been in excess of \$245 million dollars.
- **Local government road wetland replacement.** \$4.362 million is to replace wetlands lost to improvements made to public transportation projects.

Minnesota Zoological Gardens

- **Zoo master plan construction.** \$19 million is for addition of exhibits at the zoo. The Zoo had requested \$48 million.
- **Asset preservation.** \$6 million is recommended for asset preservation projects at he zoo.
- **Debt service forgiveness.** The Governor request that the zoo be relieved of the current statutory requirement for making 60 percent of the debt service payments remaining on the Marine Education Center. This would essentially be an increase in the general fund operating appropriation to the zoo of approximately \$1 million a year, a 15% increase.

Metropolitan Council

- **Metropolitan Regional Parks.** \$7 million is recommended for the capital improvements program. The council had requested \$10.466 million. Funds are used to acquire and improve the metro regional parks system. The funds will be distributed by the council to the regional park operating agencies.

For further information on Environment and Agriculture issues contact Jim Reinholdz, at 651.296.4281, or Jim.Reinholdz@house.mn

Jobs & Economic Development

The Governor's 2004 Economic Development capital budget recommendations include 11 projects and programs for the agencies and areas under the jurisdiction of the Jobs and Economic Development Finance Committee. The total recommended spending is \$117.491 million. Of this amount, the Governor recommends that \$117.291 million be funded with General Obligation (GO) bonds, and \$200,000 be funded from the General Fund.

Department of Employment & Economic Development

- **State Matching Funds for Federal Environmental Protection Agency Capitalization Grants:** The Governor recommends \$16.28 million in GO bonding to provide state funds to match \$81.4 million in Federal EPA grants for the Water Pollution Control Revolving Fund and the Drinking Water Revolving Fund. The required state match is 1:5, or \$1 in state match for every \$5 in federal grant money.
- **Redevelopment Grant Program:** The Governor recommends \$25 million in GO bonding for the Redevelopment Grant Program. The recommendation contains two proposals:
 1. The regular Redevelopment Grant program would receive \$10 million. The Governor proposes dividing the money equally between brownfields and new developments.
 2. The Governor is recommending that a new initiative receive \$15 million. The initiative would support development within designated biotechnology and health science zones.
- **Wastewater Infrastructure Fund:** The Governor recommends \$10 million in GO bonding for the Wastewater Infrastructure Fund (WIF). Also recommended is a \$200,000 general fund appropriation for the Public Facility Authority's operating expenses related to the WIF program.
- **U of M/Mayo Clinic Biotechnology Research Facility:** The Governor recommends \$20 million in GO bonding for the University of Minnesota to purchase and construct a three-floor addition on the top of the Mayo Clinic's Stabile building in Rochester. The space, which would be owned by the University and operated by the Mayo Clinic, would support biotechnology and medical genomics research.

Housing Finance Agency

- **Permanent Supportive Housing:** The Governor recommends \$20 million in GO bonding for permanent supportive housing loans. The funds are expected to construct, acquire and rehabilitate between 267 and 534 permanent supportive housing units for families with children and individuals who are long-term homeless.

Historical Society

- **Historic Sites Asset Preservation:** The Governor recommends \$7.167 million in GO bonding for asset preservation and facility repair at multiple locations within the Society's Historic Sites Network:
- **Historic Fort Snelling Revitalization:** The Governor recommends \$1.979 million in

GO bonding for the revitalization of Fort Snelling. (Note: This recommendation is in addition to \$2.77 million recommended for Fort Snelling within the Historic Sites Asset Preservation item discussed above).

Iron Range Resources & Rehabilitation Board

The Board submitted two bonding requests with a total price tag of \$3.654 million. The request projects were \$871,000 for asset preservation, and \$2.783 million for the Mesabi Station. The Governor did not recommend either of these of the projects.

Grants to Political Subdivisions

The Governor received 36 bonding project requests from local political subdivisions. The total dollar amount requested exceeded \$322 million. The Governor is recommending that four of the local bonding requests be funded by the Legislature. The four projects total \$16.865 million:

- \$635,000 for the **city of Buffalo Lake** to replace a maintenance garage and repair streets that were damage from last summer's tornado.
- \$4.23 million to **Hennepin County for the Colin Powell Youth Leadership Center**. The Center will be located in the Phillips neighborhood of Minneapolis. This project funding is contingent on non-state funding of \$8.46 million for the Center.
- \$2,000,000 for the **Lewis and Clark Rural Water System** in southwestern Minnesota. The system will serve the cities of Luverne and Worthington, and the Rock County and Lincoln-Pipestone Rural Water Systems. The funding is contingent on federal and local matching funds.
- \$10 million for the **city of Roseau** for infrastructure repair and improvements resulting from the 2002 flood. The funding is contingent on local matching funds sufficient to complete the project(s).

Implications

It can be expected that many of the state agency and local project requests that were not recommend for funding by the Governor will be introduced as separate bills in the 2004 Session. The projects most sensitive to delay for funding, would be natural disaster infrastructure repair for the cities of Roseau and Buffalo Lake.

For further information on Jobs and Economic Development issues, contact Ron Soderberg at (651)296-4162 or ron.soderberg@house.mn

State Government

The Governor's recommendations for capital projects in the State Government area total \$54.99 million. Of this amount, \$34.2 million is from general obligation bonds, \$10.4 million is from the General Fund, \$8.7 million is from the Trunk Highway bonds, and \$1.6 million is user-financed.

Department of Administration (Admin)

The Governor recommends \$47.6 million in projects, with \$26.9 million from general obligation bonds, \$10.4 million from the General Fund, \$8.7 million from Trunk Highway bonds, and \$1.6 million from user financing. The agency had requested \$64.8 million in projects. Planning estimates are \$27.1 million for FY 2006 and \$27.1 million for FY 2008.

Department of Transportation (Mn-DOT) Exterior Repair

The Governor recommends \$8.68 million in FY 2004 for repairs to the anchoring system of the exterior of the MN-DOT building on Constitution Avenue. The repairs are to be financed with Trunk Highway bonds.

Damage to the support system for the building's exterior granite panels was discovered during tuckpointing of the building several years ago. Shelf angles and retaining clips have significant rust, reducing the load bearing capacity of the angles. If the support system fails, it is possible that a granite panel could fall from the building. Each panel weighs approximately 1200 pounds.

The Department requested funding for these repairs in the 2002 capital budget, but the project was not approved by the Legislature. At that time, the department was planning for 3 phases of funding, with a total cost of \$14.8 million. This year, the department has requested full funding in FY 2004, and has identified cost reductions of \$6.1 million from the original request, reducing the total cost to \$8.68 million.

Since 1992, the state has spent over \$44 million on repairs and renovation of the MN-DOT building, primarily for interior renovations, but also including funding for tuckpointing of the exterior.

Statewide CAPRA

The Governor recommends \$4 million in GO bond financing for the Capital Asset Preservation and Replacement Account (CAPRA). The agency had requested \$5 million for CAPRA.

CAPRA is a statewide fund for emergency and unexpected repairs. The fund is administered by the department on behalf of other state agencies. Since the program was started in 1990, a total of \$72.9 million in both GO bonds and General Fund dollars has been appropriated for CAPRA projects.

The state has several different sources of funding for repair and maintenance, in addition to CAPRA (see table on the following page). Asset preservation funds are included in the recommendations for the departments of Military Affairs, Natural Resources, and Human Services, and in the Higher Education Asset Preservation Account (HEAPR). In addition, the department accumulates funds collected as rent to recover depreciation on buildings or construction projects funded through state

bonds. These funds are deposited in a special revenue fund, and are available for asset preservation projects¹.

Sources of Funds Available for Maintenance & Repair of State Buildings		
	How are Funds Requested?	How are Funds Used?
Operating Funds	Requested by each agency in its operation budget.	Usually used for the day-to-day maintenance projects.
CAPRA	Central account managed by Admin for use by state agencies. Request is based on information from all state agencies regarding their facility needs	CAPRA funds may be used for emergencies, removal of life/safety hazards, containment of hazardous substances, and unanticipated small repair and maintenance projects.
Asset Preservation	Requested by each agency in a capital budget request	Known repair and maintenance projects.
Facilities Repair & Replacement Account	Money collected by Administration as rent to recover the depreciation costs of buildings under Admin's custodial control	Used only for asset preservation projects on buildings from which money is collected.

The State Architect's Office within the department of Administration maintains a state facilities condition audit. The audit shows, by agency, the number of buildings under agency's control, the estimated deferred maintenance, and the condition of facilities, ranked good, fair, poor or very poor. The inventory can be viewed at : www.sao.admin.state.mn.us/fca/reportc.asp .

Agency Relocation Funds

The Governor recommends \$10.4 million from the General Fund for agency relocation costs. This amount includes:

- \$4.1 million to relocate portions of the departments of Agriculture and Health to the new joint laboratory facility and offices currently being constructed on the plot behind the Centennial office building.
- \$3.9 million to relocated portions of the department of Human Services to its new state-owned building on the old Capitol Square site.

These new facilities are scheduled to be completed in the fall of 2005. These new facilities will significantly increase each agency's building lease rates, which will impact their operating budgets.

Other agency relocation requests include:

- \$878,000 for temporary moves at the Veterans Services building and the Administrative services building as abatement and renovation projects are completed at those sites.
- \$300,000 to secure and maintain the vacated building at 390 North Robert Street, which used to be occupied by the Minnesota Department of Economic Security.

¹ This account is projected to collect \$6 million each fiscal year. However, the 2003 Legislature transferred \$5.35 million from this account to the general fund, in both FY 2004 and FY 2005, thus reducing the amount actually available for asset preservation projects.

- \$1.3 million for unanticipated moves.

Asset Preservation – Admin Properties

The Governor recommends \$6.89 million for asset preservation projects in the 21 properties managed by the Plant Management division of the Department of Administration. Priority projects include:

- \$2.66 million for renovation and asbestos abatement at the Veterans Services building.
- \$1.9 million for renovation and asbestos abatement at the Administrative Services building.
- \$500,000 to stabilize and repair the east steps of the State Office Building (SOB).
- \$1.3 million to replace the roof of the History Center in Saint Paul.
- \$500,000 to replace air handlers at the Centennial Office Building.

Each of these projects would have an impact on agency operating budgets, as the costs of the projects will be recovered through the lease rates charged to agencies. The SOB and Veterans Services building repairs would impact the In-Lieu-of-Rent appropriation.

Ford Building Demolition

The Governor recommends \$1.2 million to demolish the Ford building, which is located across University Avenue just north of the SOB. This building used to house the Minnesota Bookstore, and the now defunct PrintComm division of Administration, but is currently not occupied. An analysis done by the department showed that the building would need major renovation in order to be used for other state programs. The department concluded that demolition of the building would be more cost effective than renovation. The estimated annual costs for maintaining the building in its present state are \$23,000.

Long-term plans for the site are for construction of a new “undesigned” state office building in that location.

Parking Expansions

The Governor recommends \$1.7 million to renovate and expand parking facilities in the Capitol Complex. \$1.5 million of this amount would be to pave over green space located on the southern ends of the Centennial Ramp. This would provide 246 new parking spots, which will be needed when the new Health / Agriculture facility is completed in 2005.

Administration proposes to finance 95 percent of this parking expansion project through user-financing. The debt service on the bonds would be financed through the rates charged to employees parking in the capitol complex. At this time, Administration is projecting that the revenues from the new parking contracts will be sufficient to cover all costs, and overall parking rates will not increase as a result. Questions have been raised as to whether user-financing is appropriate when constructing state-owned parking facilities.

Cooperative Local Facilities Grants

The Governor recommends \$15 million in FY 2004 for cooperative local facilities grants. This is a new program to provide matching grants (60 percent local / 40 percent state) to local governments for construction or renovation of shared facilities or infrastructure. The maximum grant award would be \$2 million. Projects would be selected by the Department of Administration, and must support "innovative methods of delivering public services better, faster and cheaper." The department has promised that additional details on this proposed new program are forthcoming.

Projects Not Recommended by the Governor

Several projects requested by the department were *not* recommended by the Governor, including:

- \$521,000 from the general fund to develop a strategic plan for locating state agencies. The existing plan was last updated in 1995.
- \$5 million for property acquisition.
- \$4.85 million to finish the basement level of the Stassen office building.
- \$1.8 million to construct a tunnel connecting the 14th street parking ramp (located near the Stassen building) and the new Orville Freeman building.

Capital Area Architectural Planning Board (CAAP Board)

The Governor recommends a total of \$1.8 million in general obligation bonds for repairs in the Capitol building. This amount includes \$500,000 for restoration of public spaces on the 3rd floor of the Capitol, and \$1.37 million for restoration of the Capitol dome.

The Governor did not recommend funding for several other requests from the board. The board had also requested \$1.3 million for plastering and repainting of the ground, first and second floors of the capitol. This portion of the project would not be eligible for bonding, because they are considered minor (non-structural) repairs. In addition, the board had requested \$1.7 million for schematic design of the interior renovation of the Capitol. Finally, the board had requested \$773,000 to improve signage in the Capitol and its grounds, and to replace and restore elevators in the Capitol. The Governor did not recommend funds for any of these projects, but did encourage the board to seek private sources of funding for the minor repairs to the lower floors of the building.

Department of Military Affairs

The Governor recommends \$5 million in GO bond financing for two projects:

Asset preservation

\$4 million for deferred maintenance projects at armories and training facilities. A 50 percent or 75 percent federal share, depending on the scope of the project, will match state funds.

The Department has requested and received funding for asset preservation projects in the last 4 capital cycles, through both direct appropriations and the CAPRA account. These requests have been based on detailed facilities audits, which document a maintenance backlog of over \$23 million. Planning estimates for future asset preservation are \$4.5 million in FY 2006, and \$5 million in FY 2008.

Facility Life / Safety Repairs

\$1 million for required life/safety repairs at National Guard training facilities across the state. Examples of required repairs include the replacement of fire and smoke alarm systems. The federal government will match state funds with a 75 percent federal share of the total costs, or \$3 million.

Department of Veterans Affairs

The Governor recommends \$500,000 for completion of the World War II Veterans Memorial on the Capitol Mall. The total cost for this memorial will be \$1.036 million, which includes \$200,000 for perpetual maintenance of the memorial.

This memorial was authorized by the 2000 Legislature, which appropriated \$150,000 for the project. The Department of Veterans Affairs, working with veterans groups, has raised over \$385,000 in private matching funds.

The site for construction of the memorial is located in the Rose Garden area, between the Veterans Service Building and Martin Luther King Drive. A description of the winning design can be found at <http://www.mdva.state.mn.us/wwiimemorial.html> .

For additional information on State Government finance issues, contact Helen Roberts at 296-4117 or helen.roberts@house.mn

Transportation Finance

The Governor's recommendations for transportation projects make up a significant portion of his overall 2004 capital budget. The eight recommended projects require over \$110 million out of the Governor's \$760 million total capital investment package. Funding sources include general obligation bonds, trunk highway fund cash, and trunk highway bonds.

Two major public transit investments make up the majority of the transportation proposals. The Northstar Corridor Commuter Rail project and Cedar Avenue Bus Rapid Transit together total \$47.5 million in proposed state investment. The Northstar Corridor would require \$37.5 million dollars in GO bonds for a \$265 million project. The amount requested is to secure federal funds and enter into a "full funding agreement" with the federal government, but would also require an additional \$49 million from the state in 2006. The Governor's proposal includes a total of \$43.8 million in local capital participation to complete the project. The Department of Transportation hopes to secure a total of \$132.5 million in federal dollars or 50 percent of the total cost.

The project is unique in that general obligation bonds will be used to finance a project that will be on privately held property. Generally, the state can issue general obligation bonds for capital improvements that are publicly owned and provide for a public purpose. Article XI sec. 5 of the Constitution of the State of Minnesota provides certain exceptions to this rule. One such exception states that bonds may be used, *"to improve and rehabilitate railroad rights-of-way and other rail facilities whether public or private, provided that bonds issued and unpaid shall not exceed \$200,000,000 par value."*

The Cedar Avenue Busway will provide Bus Rapid Transit along Cedar Avenue south of I-494 into Apple Valley. The project is planned to relieve traffic along one of the metro areas most congested corridors. The proposal is estimated to create an additional 4400 transit users per day.

The governor also recommends \$28 million for the Local Bridge Matching Funds program. The program provides assistance to local governments at replacing expensive aging and deficient bridges throughout the state. The money in the program leverages four dollars of federal money for every state dollar invested.

Other transportation related recommendations include;

Metropolitan Council

- \$10 million to the Met Council for Cedar Avenue Bus Rapid Transit. The dollars would be used for additional engineering studies and immediate transit improvements.

Department of Transportation

- \$28 million for local bridge matching funds to move bridge projects forward throughout the state.
- \$10 million for replacement of the Mankato district headquarters building. (the agency had requested \$15.7 million.)
- \$10 million for local road improvement grants to improve local route of regional significance where local communities have difficulty funding a crucial improvement to a regionally important route.
- \$37.5 million to secure federal funds for the Northstar Corridor commuter rail project.
- \$8.7 million (through the Department of Administration) for repair of the MN/DOT building exterior on the Capitol mall.

Implications

The Governor's proposal for Northstar Commuter rail is his largest transportation project and certainly will be the most controversial. Proponents of the project have sought capital funding for four years and this is the second governor to recommend funding. Two changes in the project may negatively impact the chances for legislative approval. The route has been shortened from Minneapolis to Big Lake rather than continuing through St. Cloud and on to Rice. It is unclear whether this will result in loss of support from members in those communities. Secondly, the Governor has recommended an increase in local share for capital cost from 10 percent of the total cost to nearly 17 percent of the total. (1/3 of non-federal share) The communities along the shortened route will need to commit \$37.5 million in local match to have the support of the Governor.

The Governor recommends \$10 million for replacement of the Mankato headquarters building where the department had requested \$15.7 million. The Department will be allowed to make up the difference with residual value of the existing building and/or reductions in the scope of the proposed new facility.

The Department of Administration lists repair of the MN/DOT building façade as its top priority for this capital budget cycle. Due to deterioration of metal supports behind the façade, the granite panels have begun to break loose and fall from the building. Administration feels it is an important safety issue and must be repaired immediately.

For further information on Transportation related issues contact John Walz at 296-8236 or John.Walz@house.leg.state.mn.us

Governor's Bonding Recommendations			
Agency / Project Title	Priority	Fund	Gov's Rec
UNIVERSITY of MINNESOTA			
HEAPR	1	GO	\$ 38,000
HEAPR UMD Life Science	2	GO	\$ 9,300
HEAPR TC Koltoff Hall	2	GO	\$ 16,000
HEAPR TC Education Science	2	<u>GO</u>	<u>\$ 13,300</u>
		Total	\$ 76,600
		GO	\$ 76,600
		1/3 UF	\$ -
MN STATE COLLEGES & UNIVERSITIES			
HEAPR	1	GO	\$ 49,000
Winona Pastuer Hall Science Facility	2	1/3 UF	\$ 10,235
Moorhead Hagen Hall Science Renovation	3	1/3 UF	\$ 9,645
Century College Technology Center	4	1/3 UF	\$ 4,500
St Cloud State Centennial Renovation	5	1/3 UF	\$ 2,900
St Cloud Tech Workforce Center Addition	6	1/3 UF	\$ 980
South Central Tech Applied Lab	7	1/3 UF	\$ 4,747
Systemwide Science Renovations	8	1/3 UF	\$ 3,000
Systemwide Workforce Classrooms	9	1/3 UF	\$ 2,000
Systemwide Demolition	10	<u>1/3 UF</u>	<u>\$ 1,625</u>
		Total	\$ 88,632
		GO	\$ 75,435
		1/3 UF	\$ 13,197
PERPICH CENTER FOR ARTS EDUCATION			
Asset Preservation	1	GO	\$ 558
Beta Building Demolition	2	GO	\$ 525
Alpha Building Renovation	3	<u>GO</u>	<u>\$ 746</u>
		Total	\$ 1,829
DEPT. of EDUCATION			
Duluth School Youth and Community Center	1	GO	\$ 1,065
Red Lake School District Projects	2	GO	\$ 22,130
East Metro Magnet School	3	<u>GO</u>	<u>\$ 1,054</u>
		Total	\$ 24,249
MINNESOTA STATE ACADEMIES			
Asset Preservation	1	<u>GO</u>	<u>\$ 4,255</u>
		Total	\$ 4,255

Governor's Bonding Recommendations			
Agency / Project Title	Priority	Fund	Gov's Rec
DEPARTMENT of NATURAL RESOURCES			
Flood Hazard Mitigation Grants	1	GO	\$ 20,000
Dam Repair/Reconstruction/Removal	2	GO	\$ 1,000
Rim Critical Habitat Match	3	GO	\$ 4,000
RIM Wildlife Area Acquisition	4	GO	\$ 12,000
Fisheries Acquisition and Improvement	5	GO	\$ 1,050
Water Access/Fishing Piers	6	GO	\$ 3,500
Stream Protection	7	GO	\$ 500
Reforestation	8	GO	\$ 3,000
Metro Greenways	9	GO	\$ 1,000
Native Prairie Bank Easements	10	GO	\$ 1,000
SNA Acquisition	11	GO	\$ 300
State Trail Acquisition	12	GO	\$ 2,000
County Forest Reforestation	13	GO	\$ 1,000
Fish Hatchery Improvements	14	GO	\$ 1,750
RIM Wildlife Management Area Development	15	GO	\$ 600
State Forest Land Acquisition	16	GO	\$ 1,000
Forest Roads and Bridges	17	GO	\$ 1,000
State Park Acquisition	18	GO	\$ 2,000
State Park Building Development	19	GO	\$ 3,000
Lake Superior Safe Harbors	20	GO	\$ 2,000
Statewide Asset Preservation	21	GO	\$ 2,000
Field Office Renovations	22	GO	\$ 1,000
Office Facilities Development	23	<u>GO</u>	<u>\$ 2,300</u>
		Total	\$ 67,000
POLLUTION CONTROL AGENCY			
Closed Landfill Bonding	1	<u>GO</u>	<u>\$ 14,000</u>
		Total	\$ 14,000
OFFICE of ENVIRONMENTAL SERVICES			
Capital Assistance Program	1	<u>GO</u>	<u>\$ 4,000</u>
		Total	\$ 4,000

Governor's Bonding Recommendations			
Agency / Project Title	Priority	Fund	Gov's Rec
WATER and SOIL RESOURCES BOARD			
RIM Reserve and CREP	1	GF	\$ 2,000
RIM Reserve and CREP	1	GO	\$ 20,000
Local Government Road Wetland Replacement	2	<u>GO</u>	<u>\$ 4,362</u>
		Total	\$ 26,362
		GF	\$ 2,000
		GO	\$ 24,362
DEPARTMENT of AGRICULTURE			
Rural Finance Authority Loans	1	UF	\$ 18,000
Water Management Research Partnership	2	<u>GO</u>	<u>\$ 570</u>
		Total	\$ 18,570
		UF	\$ 18,000
		GO	\$ 570
MINNESOTA ZOOLOGICAL GARDENS			
Zoo Master Plan/ New Exhibit	1	GO	\$ 19,000
Asset Preservation	2	<u>GO</u>	<u>\$ 6,000</u>
		Total	\$ 25,000
ADMINISTRATION			
DOT Exterior	1	THB	\$ 8,683
Statewide CAPRA	2	GO	\$ 4,000
Agency Relocation	3	GF	\$ 10,444
Asset Preservation- Admin Properties	4	GO	\$ 6,600
Ford Building Demolition	5	GO	\$ 1,176
Parking	6	UF	\$ 1,724
Cooperative Local Facilities Grants	GOV-1	<u>GO</u>	<u>\$ 15,000</u>
		Total	\$ 47,627
		GF	\$ 10,444
		UF	\$ 1,637
		THB	\$ 8,683
		GO	\$ 26,863
CAAP BOARD			
Capitol Building Repair	1	<u>GO</u>	<u>\$ 1,870</u>
		Total	\$ 1,870

Governor's Bonding Recommendations			
Agency / Project Title	Priority	Fund	Gov's Rec
MILITARY AFFAIRS			
Asset Preservation	1	GO	\$ 4,000
Facility Life Safety	2	GO	\$ 1,000
		Total	\$ 5,000
VETERAN'S AFFAIRS			
WWII Monument	1	GO	\$ 500
		Total	\$ 500
DEPARTMENT of TRANSPORTATION			
Analog to Digital Conversion	1	THF	\$ 3,000
Local Bridge Replacement	2	GO	\$ 28,000
Mankato Headquarters	3	THB	\$ 10,000
Local Road Improvement Grants	4	GO	\$ 10,000
Small Capital Projects	5	THF	\$ 3,800
Northstar Commuter Rail	GOV-1	GO	\$ 37,500
		Total	\$ 92,300
		GO	\$ 75,500
		THB	\$ 10,000
		THF	\$ 6,800
METROPOLITAN COUNCIL			
Cedar Avenue Bus Rapid Transit	1	GO	\$ 10,000
Metropolitan Regional Parks	2	GO	\$ 7,000
		Total	\$ 17,000
DEPARTMENT of HUMAN SERVICES			
SPRTC New Facilities Sex Offender Program	1	GO	\$ 3,000
Systemwide Redevelopment/Demolition	2	GO	\$ 6,150
Systemwide Roof Repair	3	GO	\$ 1,014
Systemwide Asset Preservation	4	GO	\$ 4,000
		Total	\$ 14,164
VETERAN'S HOME BOARD			
Minneapolis Waste Piping	1	GO	\$ 1,077
Asset Preservation	2	GO	\$ 6,000
		Total	\$ 7,077

Governor's Bonding Recommendations			
Agency / Project Title	Priority	Fund	Gov's Rec
DEPARTMENT OF CORRECTIONS			
MCF Faribault Expansion	1	GO	\$ 74,891
DOC Asset Preservation	2	GO	\$ 11,000
MCF Stillwater 150 Bed Segregation Unit	3	GO	\$ 19,192
MCF Willow River Moose Lake CIP Expansion	4	<u>GO</u>	<u>\$ 350</u>
		Total	\$ 105,433
EMPLOYMENT and ECONOMIC DEVEL.			
US EPA Drinking Water/ Wastewater	1	GO	\$ 16,280
Redevelopment Grants	2	GO	\$ 25,000
WIF Implementation	3	GF	\$ 200
WIF	3	GO	\$ 10,000
U of M/Mayo Biotech Research Facility	GOV-1	<u>GO</u>	<u>\$ 20,000</u>
		Total	\$ 71,480
		GF	\$ 200
		GO	\$ 71,280
HOUSING FINANCE AGENCY			
Permanent Supportive Housing Loans	1	<u>GO</u>	<u>\$ 20,000</u>
		Total	\$ 20,000
MINNESOTA HISTORICAL SOCIETY			
Historic Sites Asset Preservation	1	GO	\$ 7,167
Fort Snelling Revitalization	2	<u>GO</u>	<u>\$ 1,979</u>
		Total	\$ 9,146
GRANTS to POLITICAL SUBDIVISIONS			
Buffalo Lake Maintenance Garage/Street Repair		GO	\$ 635
Colin Powell Youth Leadership Center		GO	\$ 4,230
Lewis and Clark Rural Water System		GO	\$ 2,000
Roseau Infrastructure Repair and Improvements		<u>GO</u>	<u>\$ 10,000</u>
		Total	\$ 16,865
FINANCE			
Bond Sale Expenses		GO	\$ 719
THB Sale Expense		<u>THB</u>	<u>\$ 17</u>
		Total	\$ 736
		GO	\$ 719
		THB	\$ 17

Governor's Bonding Recommendations			
Agency / Project Title	Priority	Fund	Gov's Rec
BILL TOTALS	TOTAL	ALL FUND	\$ 759,695
		GO	\$ 688,717
		GF	\$ 12,644
		UF	\$ 32,834
		THF	\$ 6,800
		THB	\$ 18,700
Net Effect on General Fund			
Additional Debt Service Required 04-04 Bien			\$ 3,654
GF Capital Projects			\$ 12,644
Debt Payment Forgiveness MN Zoo			\$ 1,007
	Total		\$ 17,305

Fiscal Staff Assignments - 2004 Session

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Capital Investment	John Walz	296-8236	376
Jobs & Economic Development Finance	Ron Soderberg	296-4162	322
Higher Education Finance	Doug Berg	296-5346	372
K-12 Education Finance	Greg Crowe	296-7165	378
Health & Human Services Finance	Katherine Schill	296-5384	325
Judiciary Finance	Gary Karger	296-4181	330
State Government Finance	Helen Roberts	296-4117	370
Transportation Finance	John Walz	296-8236	376
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All fiscal staff are also available by email. The email address is as follows: bill.marx@house.mn
 At the beginning of the address, substitute the first.last names of the analyst you want to reach.

The House Fiscal Analysis Department Home Page is at:
<http://www.house.leg.state.mn.us/fiscal/FAHOME.HTM>

The Web page has fiscal staff publications from recent years as well as spreadsheets for the major finance bills for the past five legislative sessions.