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Executive Summary

Minnesota Strategic Capital Budget Plan

1994-99

Presented by
Governor Arne H. Carlson
February 1, 1994

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ARNE H. CARLSON
GOVERNOR

STATE OF MINNESOTA

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February 1, 1994

TO THE PEOPLE OF MINNESOTA AND THEIR 1994 LEGISLATURE:

We are pleased to submit our 1994-99 Strategic Capital Budget Plan and agency capital project requests. Based on agency strategic planning information and project requests, we have prepared 1994 recommendations and 1996-99 planning estimates. The capital budget includes \$648 million in projects, with \$524 million to be financed by General Obligation bonds.

This capital budget represents a significant achievement, since it is the *first* long-term capital plan ever prepared for the State of Minnesota. Unlike past years, when pork-barrel politics ruled the capital process, we have jointly succeeded in implementing true reform in the way Minnesota plans and finances its infrastructure needs. Our proposed capital budget remains within the state's 3 percent debt service guideline for the entire 1994-99 planning period to ensure that we can continue to finance the state's capital needs.

The 1994-99 Strategic Capital Budget Plan contains significant state investments in critical corrections, human services and higher education facilities. In addition, it introduces our "Environment 2000" plan for reclaiming and preserving our state's environmental assets. The Strategic Capital Budget Plan contains project recommendations for the 1994 session, and also begins the state's commitment to six year planning with preliminary project recommendations for the next two biennia.

We are very pleased with the quality of the enclosed information, and commend the efforts of the applicant agencies in responding to a very aggressive reform agenda in an extremely compressed time frame. We are certain that you will find the project data and recommendations useful as you begin deliberations on the urgent and competing uses for the state's limited financing capacity.

We look forward to continuing legislative cooperation as we pursue capital budget reform initiatives important to all the citizens of Minnesota.

Warmest regards,

ARNE H. CARLSON
Governor

JOANELL M. DYRSTAD
Lieutenant Governor

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MINNESOTA STRATEGIC CAPITAL BUDGET PLAN 1994-99

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1994 Capital Budget Executive Summary

HIGHLIGHTS OF THE GOVERNOR'S STRATEGIC CAPITAL BUDGET PLAN

- **Long-Range Strategic Planning.** All executive branch agencies completed strategic capital plans prior to submission of prioritized project requests. The plans identify agency capital investment needs over the next six years based on estimates of service demands, asset requirements, and standard industry re-investment schedules. The Governor's 1994-99 Strategic Capital Budget Plan includes recommendations for the 1994-95 period and planning estimates for the 1996-97 and 1998-99 biennia.
- **Bond Authorizations Preserve Long-term Capacity.** The Governor's 1994-99 Strategic Capital Budget Plan includes a six year debt planning guideline to ensure level, predictable state investment capacity. The Governor's 1994 recommendations will keep debt service within the 3% debt service guideline in order to preserve flexibility over the six year period. The Governor recommends a 1994 capital budget of \$648 million to be financed through the sale of \$524 million of general obligation bonds and \$124 million of user and other financing. This will allow subsequent G.O. bond packages of \$555 million in 1996 and \$595 million in 1998, all of which are within the state's 3% debt service guideline. As part of his financial management responsibilities, the Commissioner of Finance has cancelled certain cash balances and is recommending to the legislature the cancellation of certain bond authorizations.
- **Significant Corrections and Crime Prevention Funding.** In order to keep pace with the rapidly-growing demand for beds at correctional facilities, \$72 million is recommended for expansion and improvement projects at correctional institutions throughout the state. This includes \$21 million for completing conversion of the Moose Lake RTC into a medium security prison housing up to 620 inmates, \$25 million for planning, renovation and construction at five correctional facilities, \$10 million for regional juvenile treatment centers, \$2.8 million for a juvenile cottage at Red Wing, and \$14 million for physical plant improvements at five other facilities. In addition, planning estimates for F.Y. 96 include \$78 million for construction of a new correctional facility in the metro area.
- **Human Development Initiatives.** \$38 million is recommended to construct a new 150 bed facility at the Anoka Regional Treatment Center, \$1.6 million for an off-campus metro pre-discharge program, and \$8.8 million for purchase of state operated community service (SOCS) facilities. State funding of \$11 million to leverage \$20 million in federal funds for renovation of the Minneapolis Veteran's Home, and \$2 million for statewide Head Start facilities is also recommended.

■ **Environmental recommendations provide \$177 million in 1994.** The Governor is proposing the first stage of "Environment 2000", a six year, inter-agency, inter-jurisdictional strategic plan for environmental protection and resource development. With leveraged federal funds, the six year plan represents a *\$630 million* investment in Minnesota's environment. Of this total, \$389 million is from state bonding and \$241 million is in matching federal funds. The 1994-99 Strategic Capital Plan recommends coordinated and expanded efforts in the areas of flood relief, non-point source pollution, safe drinking water, landfill cleanup, rehabilitation and development of parks, trails, campgrounds and other outdoor recreational areas, and in the Reinvestment in Minnesota Program. In addition, recommendations include \$40 million in 1994 and planning estimates of \$13 million in 1996 and \$13 million in 1998 for projects requested by the Zoological Garden and the Department of Natural Resources outside the "Environment 2000" framework.

■ **University of Minnesota Investments.** The Governor's Strategic Capital Plan includes \$101 million for five key University of Minnesota building projects. The projects include \$25 million to match the private commitment for construction of the new Carlson School of Management, \$14 million to modernize the Mechanical Engineering building of the Institute of Technology, \$22 million for a new School of Architecture building, \$35 million for CAPRA and facility renewal, and \$3.7 million for strategic planning for an Archival Research Facility to be linked with other libraries throughout the state. Planning estimates include \$38 million for construction of an Archive facility in F.Y.96 and \$36 million for renovation of Walter Library in F.Y. 98.

■ **Higher Education Board Funding of \$104 million.** With the creation of the HEB and planned July 1, 1995 merger of the higher education systems, the Governor recommends funding for higher education projects only in cases of urgent need. The Governor proposes that other major construction projects not be funded until the HEB is fully operational, has an opportunity to conduct an exhaustive review of all system requests, and develops a unified rank ordering of priorities. Funding has been provided for the HEB to manage \$32 million in higher education facility renewal projects, and \$70 million for high priority construction projects. The Governor also recommends \$1.5 million of general fund monies to establish a facility planning/evaluation function in F.Y. 95, and an additional \$1 million for cooperative planning with the University of Minnesota for information services, including the use of modern technology in providing library services.

■ **Implementation of a Strategic Plan for Locating State Agencies.** Recommendations contain funding for implementation of the Department of Administration's strategic plan for locating state agencies. The plan includes \$13 million for continued renovation of the Transportation Building and pre-design funds for a new Education building, Military Affairs facility, support service buildings and Public Safety facility.

■ **Substantial CAPRA and ADA Funding.** A high priority has been given to increased funding for deferred maintenance needs of the state's facilities. A major, six year program is recommended for funding Capital Asset Preservation and Replacement Account (CAPRA) and facility renewal with funding of \$83 million in 1994 and \$63 million planned for each session in 1996 and 1998. American with Disabilities Act (ADA) projects were recommended for \$15 million in 1994 and \$20 million in planning estimates for both 1996 and 1998 to improve the condition of our state facilities and make them accessible to all citizens.

■ **Transportation.** The Governor is recommending \$38 million in 1994 for transportation. General obligation bonds of \$13.4 million is recommended to conclude the Bloomington Ferry Bridge. Local bridge replacement funding of \$10 million for each biennium in the six year plan is included. \$12.8 million from the Trunk Highway Fund is recommended for various Department of Transportation construction projects.

Governor's Strategic Capital Budget Plan (\$ in millions)

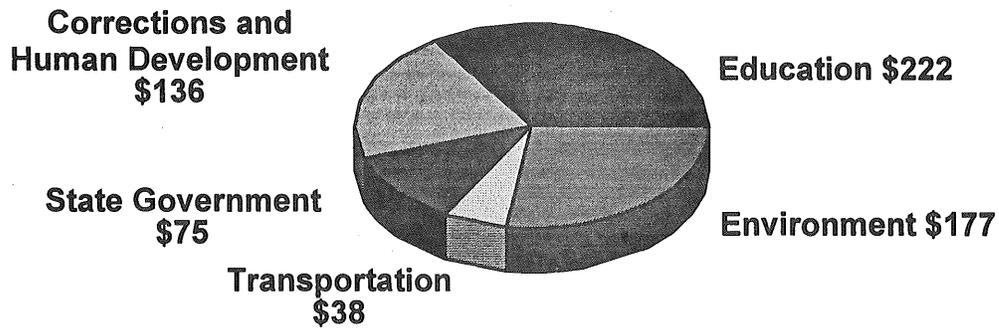
	1994-95	1996-97	1998-99
Education	\$222	\$88	\$138
Environment	177	139	139
Human Development	136	104	2
State Government	75	66	44
Transportation	38	10	10
TOTAL	648	407	333
G.O. Capacity	524	555	595
TOTAL PLAN	648	N/A	N/A

Governor's Strategic Capital Budget Plan

1994 Recommendations \$648 Million

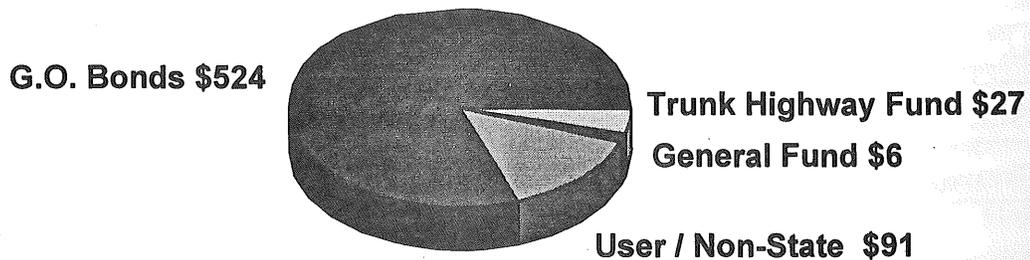
Use of Funds

(\$ in millions)



Sources of Financing

(\$ in millions)



CAPITAL BUDGET REFORM

The F.Y. 1994-99 Strategic Capital Budget Plan is the first capital budget based on the reform concepts proposed by the Governor and adopted by the legislature. This represents a significant achievement for the state of Minnesota since capital infrastructure investments will now be governed by long-term, objective, financial management considerations. The goal of capital budget reform is to make informed investment decisions and to effectively manage resulting assets. Reform initiatives that are being implemented to achieve these goals include:

Strategic Planning. All capital budget requests were considered in their strategic context on the basis of uniform, systematic project planning data. State agencies submitting capital budget requests first developed an agency mission statement and a comprehensive strategic capital budget plan. These plans identified the strategic factors driving the need for capital assets. Each project request was then linked to the agency strategic plan. The Governor's 1994-99 Strategic Capital Budget Plan includes project recommendations and planning estimates for the next six years based on agency strategic plans.

Multi-Year Financing Capacity. The Governor's 1994-99 Strategic Capital Budget Plan is based on a debt capacity model developed by the Department of Finance which estimates the current and future consequences of capital budget decisions six years into the future. Six year capacity planning provides predictable, baseline debt planning levels and eliminates the peaks and valleys of bonding bills and associated debt service payments.

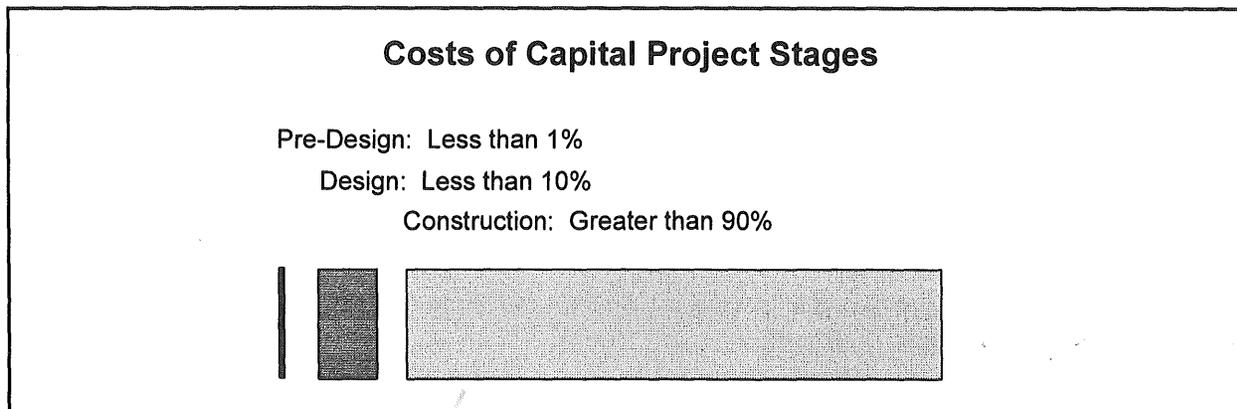
Integration of Capital and Operating Budgets. Agencies have been asked to identify the impact of capital budget requests on agency operating budgets over the next six years. These costs are shown in the project detail forms and are considered "facility notes", much like fiscal notes. Thus, agency strategic planning and identification of long-term needs, in conjunction with a multi-year debt capacity model, creates a favorable rolling six-year plan to guide capital budget decisions.

Preserving Existing Assets. A cornerstone of strategic capital budget planning is investment in existing assets. A major six year program for funding of Capital Asset Preservation and Replacement Account (CAPRA) and federal Americans with Disabilities Act (ADA) projects is recommended to improve the condition of state facilities and make them accessible to all citizens. The Department of Administration has begun the task of developing an inventory of state buildings and an audit of the condition and suitability of each major facility. The inventory will allow the state to begin investing in deferred maintenance needs on an adequate, regular basis.

Project Staging. Building projects typically follow three distinct stages: pre-design, design and construction. Absent any extremely pressing project timetables, only pre-design or design funds for a project should be awarded in one legislative session, with the product of that pre-design or design made available for full scrutiny by elected officials during a subsequent legislative session. At that point, construction funds should then be awarded.

The 1994-99 Strategic Capital Budget Plan initiates the staging concept. Multi-year project planning is possible due to the six year horizon. In many cases the project request was for all three stages. In most instances the Governor has recommended the appropriation be divided into stages, with pre-design recommendations for 1994 funds, and a planning estimate which reflects the future cost of the project. In other instances, the need is more urgent and the project cannot be staged without unacceptable construction delay. In these cases the Governor recommends a full appropriation, but proposes statutory language to require a pre-design review and approval of the project by the Department of Administration before the design and construction funds are released.

Another benefit of project staging is improved cash flow estimates. Pre-design produces more accurate cost estimates for project review and appropriation, while also developing more thoughtful project schedules. Better project schedules result in improved cash flow estimates which have dramatic effects on the timing and size of corresponding state bond sales.



THE CAPITAL ICEBERG

A basic principle of capital budget reform which is incorporated in the Governor's Strategic Capital Budget Plan is that the state should maintain the proper condition of its existing assets and facilities before committing resources to new ones.

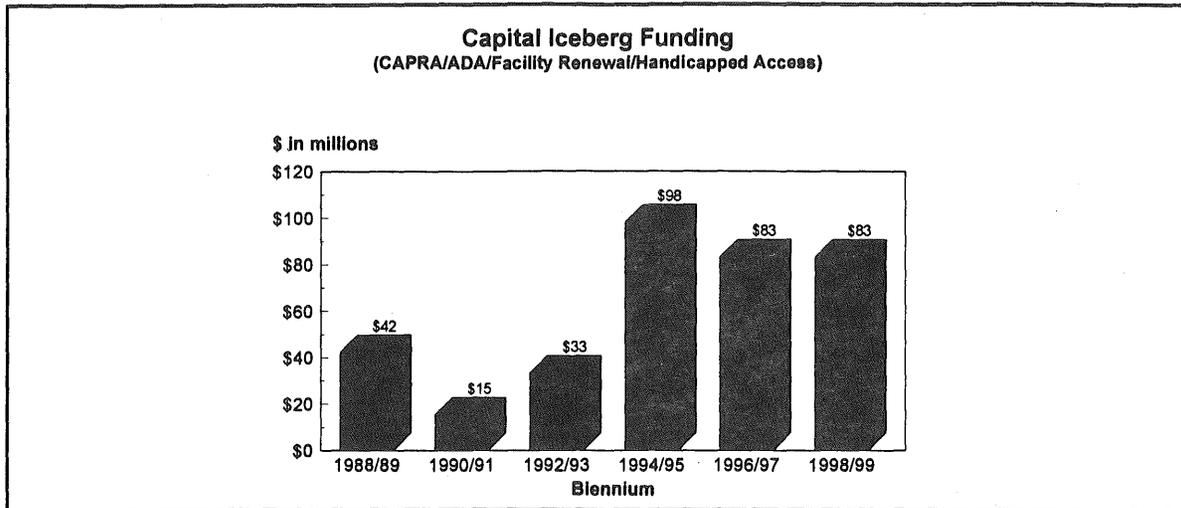
While reviewing agency requests and visiting numerous state facilities, it became increasingly clear that renewal and deferred maintenance needs have not been satisfactorily met in the past. The state must take decisive action to preserve and upgrade our state facilities.

CAPRA and ADA Funding for Deferred Maintenance. The Governor proposes an aggressive six-year plan to stabilize and improve the condition of state facilities. Included in the 1994-99 Strategic Capital Budget Plan are recommendations to authorize \$83 million in the 1994 legislative session and planning estimates for \$63 million in 1996 and \$63 million in 1998 for funding of Capital Asset Preservation and Replacement Accounts (CAPRA). This commitment will triple the state's capital investment in preserving its infrastructure assets. These funds are recommended to the Department of Administration for allocation to state agencies, to the Higher Education Board, and to the University of Minnesota.

The CAPRA recommendations would provide funding for projects such as unanticipated emergencies, removal of life safety hazards and hazardous substances, mitigation of building code violations, and repairs to roofs, windows, and structures. These recommendations would substantially increase CAPRA funding levels over the \$33 million program in 1992.

In order to provide consistency in CAPRA allocations and standardize eligibility criteria, the Governor is also recommending that the Higher Education Board and the University of Minnesota be added to the CAPRA statute.

The Governor's Strategic Capital Budget Plan includes a six-year, \$55 million plan for financing facility improvements and related requirements of the federal Americans with Disabilities Act (ADA). In combination with the 1989 authorization of \$29 million for handicapped accessibility, this ADA recommendation will mark significant progress for the state in providing access to public buildings for all of our citizens.



The Capital Iceberg. The Governor strongly believes that funding of CAPRA and ADA projects is crucial to successfully melting the "capital iceberg." Much like an actual iceberg, the capital iceberg illustrates the backlog of deferred maintenance needs which are immense in size but not readily-defined in scope. The visible part of the iceberg represents the known, quantified deferred maintenance needs of state agencies included in their CAPRA requests. The state's total deferred maintenance needs (the rest of the iceberg) are not yet known.

The Department of Administration has estimated that based on approximately 80 million gross square feet of space owned and occupied by state agencies, state universities, community colleges and the University of Minnesota, the backlog of deferred maintenance may be as high as \$800 million in 1994. Although these estimates are very rough, the problem is clear -- the state must commit more resources to preserving and upgrading our present facilities.

Deferred maintenance needs are not readily apparent and are not easily quantified. Renewal projects by their very nature do not usually attract vocal constituent groups or noticeable public support. Yet, these needs are integral to the proper delivery of public services and should be considered the backbone of all state program activities and service delivery.

It should also be recognized that funding for CAPRA and ADA is job-smart. Unlike construction of new facilities in which the majority of project dollars are commonly exported from the local economy for purchase of construction materials, CAPRA and

ADA projects are more labor intensive with dollars being spent and circulated in the immediate community for services of Minnesota tradespeople.

Long-Term Facility Renewal Goals. In order to better understand the scope of the state's deferred maintenance needs and to produce a meaningful policy to successfully deal with the problem, the Department of Administration has undertaken an aggressive, multi-year effort to analyze the condition and suitability of state facilities.

Agencies have completed facility audits of many of their facilities and this information is now contained in the facility audit database of the Department of Administration. The University of Minnesota is also participating in this process. Over time, the Administration database will be greatly expanded to provide elected officials and agency management with a tool for classifying the condition of present facilities, their suitability for program and service delivery, and the need for necessary modifications.

The Governor's 1994-99 Strategic Capital Budget plan proposes two major long-term goals to resolve the capital iceberg dilemma:

- Stabilize the size of the state's deferred maintenance needs by regular investment in the state's existing assets, and
- Work systematically towards melting the iceberg by reducing the backlog of deferred maintenance needs.

The Governor's CAPRA recommendations are a serious attempt to stabilize our deferred maintenance needs. CAPRA funding, however, is only one step in this long journey and should not be confused with the ultimate solution. In the end, state agencies and institutions must undertake new initiatives in the way funds are allocated in their operating budgets and must direct sufficient resources to prudently maintain existing facilities and assets on an on-going basis. Until these important needs are satisfactorily met through decisive action taken in agency operating budgets, the backlog of renewal projects will grow and require increasing portions of the capital budget.

EDUCATION INITIATIVES

HIGHER EDUCATION

Five general themes emerged from the materials submitted by Minnesota's higher education systems:

- While the state's support for capital asset preservation has increased significantly in past years, our aging infrastructure still requires additional resources to preserve its usefulness and efficient operation;
- Though enrollment growth statewide appears to be leveling off, capacity in the metropolitan area may continue to be inadequate;
- Achieving operating savings through greater program cooperation and coordination by previously separate institutions may only be possible if capital investments are made to facilitate the cooperation/coordination;
- Advances in information technology offer new opportunities for storing and disseminating information, and for conducting the instructional process;
- Remaining competitive in an economy where advances are tied to scientific and technological creativity will demand greater capital investments to modernize science, technology, and business educational programs.

The Governor's recommended \$205 million capital budget for higher education addresses these challenges. His recommendations include:

- \$100 million in bond proceeds for the University of Minnesota (UM). Of this amount, \$13.7 million is recommended for improvements at the Institute of Technology's Mechanical Engineering building contingent on a \$6 million match from outside sources, \$25 million is recommended for a business school complex contingent on a \$20 million match from outside sources, and \$22.5 million is recommended for improvements at the School of Architecture with 1/3 user financing from the University.
- \$68 million in bond proceeds for the University and the Higher Education Board (HEB) for deferred maintenance projects. The Governor's 1994-99

Strategic Capital Budget Plan includes planning estimates of \$44 million for higher education capital asset preservation projects in F.Y. 1996 and F.Y. 1998; and

- \$70 million in bond proceeds for the Higher Education Board (HEB) to allocate for high priority projects alleviating capacity stress and/or offering the greatest opportunities for future operating savings through program cooperation/coordination. The HEB would be required to consult with the State University Board, the Community College Board, and the Technical College Board, and receive approval from the Legislative Advisory Commission (LAC) and Education committee chairs prior to project commencement. This recommendation includes \$1.6 million for the HEB to prepare pre-design and design plans for moving the Rochester Technical College to the Greater Rochester Area College campus.
- \$1.5 million of General Fund appropriations is also recommended for the HEB in F.Y. 1995 to establish a facilities planning function to prepare for the 1996 capital budget--a process that will have to be nearly completed within a few months of the HEB's formal assumption of operating responsibility for its component systems.
- Authorization for the State University Board, with the approval of the HEB, to purchase land adjacent to the St. Cloud and Moorhead campuses using the State University System's unobligated general fund reserves.
- \$2 million in general fund appropriations for the UM and HEB to begin a cooperative planning effort for future library services, and other information services including Minnesota's linkage to national information highways. Of this amount, \$1 million will be available to each system. A portion should be used by the two systems for preparing a formal agreement relating to the storage of infrequently accessed dated publications at a facility to be maintained by the University of Minnesota.
- \$2.7 million in bond proceeds for the University of Minnesota to begin detailed architectural plans for an Archival Research Facility.
- In recognition of needs identified by the State University System in their planning for the "Academic Library of the Future," as well as additional

needs identified by the University of Minnesota for realigning space in its current libraries, the Governor's planning estimates for F.Y. 1996 include \$5.2 million for new or revised detail drawings for both systems, and \$38.4 million for construction of a central archival facility at the University of Minnesota. Planning estimates for F.Y. 1998 include \$58 million for the Higher Education Board for library construction, and \$35.7 million for the University of Minnesota for the renovation of Walter Library.

K-12 EDUCATION

The 1992 legislature created a debt service equalization program designed to provide state aid to school districts with per pupil property wealth too low to support the financing of adequate facilities. The Governor believes that this equalization approach to financing school construction should guide state policy in future years. In addition, to lower borrowing costs, a new credit enhancement program was created to help school districts meet growing needs for new and replacement facilities. Regional planning and cooperation is required for this program. The capital budget recommendations for K-12 education include:

- \$12.7 million to complete maximum effort loan projects at Nett Lake and Big Lake that have received prior legislative consideration.
- \$2.7 million for high priority projects at the Faribault Academies
- \$1.5 million for dormitory and recreation center renovation at the Center for Arts Education.

PROTECTING THE ENVIRONMENT - MANAGING OUR NATURAL RESOURCES

The Governor's 1994-99 Strategic Capital Budget Plan recommends investing \$137 million over the next two years and over \$389 million during the next six years for environmental preservation and enhancement projects. The \$389 million in state funding will leverage at least an additional \$241 million in federal dollars for a total of \$630 million. This investment will significantly address the issues of non-point source pollution, safe drinking water, landfill cleanup, rehabilitation and development of outdoor recreation systems, and Reinvest in Minnesota (RIM). Particular attention is focused on repairing the ravages of summer flooding and continuing the Governor's commitment to cleaning up the highly polluted Minnesota River.

The following table summarizes the Governor's Capital Budget recommendations by theme area. The 1994 column amounts are recommended for appropriation by the 1994 legislature. The 1996 and 1998 column amounts are preliminary recommendations as part of the 1994-99 Strategic Capital Budget Plan and are not recommended for action this session. Specific projects by agency are detailed in Appendix H.

THEME	1994 Session	1996 Session	1998 Session	Total
Flood Disaster Recovery	7,900	6,500	6,500	20,900
Natural Resource Management	60,814	53,900	53,900	168,614
Protecting the Environment	68,113	65,940	65,940	199,993
TOTALS (\$ in 1,000's)	136,827	126,340	126,340	389,507

A key concept of the Governor's Capital Budget is sharing program responsibility among environmental funds including Legislative Commission on Minnesota Resources (LCMR) funds and the State Revolving Fund (SRF). A single funding source or budget (operating, capital, and LCMR) cannot meet all environment and natural resource needs that have been identified. By integrating budgets, the funding sources all contribute to achievement of environment and natural resource goals.

ENVIRONMENT 2000

The Governor recognizes that most environmental and resource management problems will not be solved in the near term. An ongoing level of support is needed. The 1994-99 Governor's Strategic Capital Budget Plan initiates long term planning for investment

in environmental preservation. His environmental recommendations fund high priority projects with long-term benefit to our state.

The environment and natural resource agencies formed a task force to cooperatively develop key environmental themes and goals. The 1994-99 Strategic Capital Budget Plan is based on this work. It balances priorities for the environment with needs for natural resource management. These same themes and goals will guide agency LCMR proposals to be submitted in February and also future operating budget requests. The following four themes provide the focus for the Governor's 1994-99 Strategic Capital Budget Plan in the environmental area.

- Flood Disaster Recovery
- Natural Resource Management
- Protecting the Environment
- Sustainable Development

■ **FLOOD DISASTER RECOVERY:** Widespread and prolonged flooding within Minnesota in 1993 reminded us that flooding remains a substantial problem within our state. The 1993 floods resulted in an estimated \$1.3 billion in damages. At least one dam failed. Several homes were flooded. Roads, bridges and other infrastructure were damaged or destroyed, crops destroyed, erosion control practices damaged or destroyed, and vast amounts of soil eroded in areas that had long been stable. Two goals were developed to shape our flood response:

Accelerate flood disaster recovery to restore environmental and economic stability in the aftermath of the 1993 floods.

Reduce flood damage potential to minimize the potential for loss of life, threats to health, and public and private economic loss caused by flooding.

The Governor recommends \$7.9 million for Flood Disaster Recovery Projects for the 1994 legislative session. The plan consists of \$4.3 million for flood hazard mitigation projects and Area II flood control, and \$3.7 million for DNR's Dam Maintenance program. The Governor further recommends that local and state contributions for flood mitigation projects be standardized in all areas of the state.

■ **NATURAL RESOURCE MANAGEMENT:** The quality of life in Minnesota is intertwined with the quality of the environment, and the quality of our environment depends on cost effective and productive management of natural resources.

Natural resources provide inputs to production for agriculture, forestry, manufacturing and tourism businesses. Well-managed parks, trails, forests, wildlife lands and private acres maintain recreation and self renewal opportunities important to worker productivity, health, and good citizenship. The Governor's Strategic Capital Budget Plan addresses the following important natural resource management goals:

Safeguard Minnesota watersheds to provide water quality, fish and wildlife habitat, and stable soils.

Re-Invest in Minnesota's (RIM) fish, wildlife and native plant resources to rebuild and protect our natural resource base and natural resource heritage.

Rebuild park and campground infrastructure to lessen operating costs, improve public enjoyment, and protect resources.

Serve a growing demand for park lands and facilities.

Complete and connect segments of the outdoor trail network to provide convenient and safe access for transportation, recreation and exercise.

Provide ready access to Minnesota's public waters to relieve overcrowding and improve safety for boaters.

Provide efficient propagation and harvest of forest resources.

Wetlands. The Governor recommends \$2 million for the Permanent Wetlands Preserves to safeguard Minnesota Watersheds. In the 6-year Strategic Plan the Governor recommends increasing the amount of support for this program to \$2.5 million in 1996 and in 1998.

RIM. A major, multi-year project is Reinvest in Minnesota (RIM). Slightly more than \$20 million is recommended for investment in RIM programs. Half is allocated to the RIM Reserve Program to acquire easements on private, highly erodible agricultural lands. The other half is allocated to several DNR projects including: Wildlife and natural area land acquisition, Scientific and Natural Area (SNA) and Prairie Bank Habitat improvements, fisheries acquisition, and fisheries improvements.

Parks and Campgrounds. Rebuilding our investment in outdoor recreation facilities is crucial or much of our existing investment could be lost. Many facilities are badly in need of repair or rehabilitation and the demand continues to grow for additional recreational opportunities. The Governor recommends \$7.6 million for improvements and development of state parks and forestry recreational facilities. He also recommends \$4 million for state park acquisition, \$7.5 million for Regional Parks capital improvement projects, and \$1 million for local recreation grants.

Trails. The popularity of the outdoor trail network is compelling. To continue to acquire land and develop the trail system statewide, the Governor recommends \$5.8 million. Almost \$1 million is earmarked for rehabilitation of existing trails. Recognizing that completion of the outdoor trail network will take a period of years, the Governor recommends ongoing support for this program.

Public Access. For improved safety and access to Minnesota's public waters, the Governor recommends \$10.8 million for Lake Superior harbors and land acquisition on the St. Louis River.

Forest Resources. For improving forest resources, the Governor recommends \$1.8 million for forest land acquisition and improvements to forest roads and bridges.

■ **PROTECTING THE ENVIRONMENT:** Environmental protection and improvement of Minnesota's air, water and resources are important elements for a high quality of life for all our citizens and future generations. To achieve environmental improvement requires participation and coordination, and a strategy to address both current and future problems. There are not sufficient resources to address all environmental protection issues at one time. Therefore, this plan proposes to concentrate on the following goals:

Improve water quality by focusing on non point pollution sources.

Effectively manage solid wastes and toxics to prevent, reduce, and clean up environmental and health risks.

Protect public health from environmental hazards.

Increase environmental monitoring for improved decision making and increased effectiveness of environmental programs.

Improving Water Quality. The Governor recommends \$20.1 million for Combined Sewer Overflow (CSO) as the final installment of the 10-year storm sewer separation project in the cities of Minneapolis, St. Paul, and South St. Paul. The Governor also recommends \$14.7 million to provide the 20% match for the federal capitalization grant program. The state funds will match \$73.7 million of federal funds for loans to fund construction wastewater facilities and non-point source pollution projects. Finally, the Governor recommends \$0.5 million for well sealing on public lands.

Managing Solid and Toxic Wastes. The Governor recommends \$7.5 million for the Capital Assistance Program (CAP) to help finance the capital costs of constructing household hazardous waste and solid waste processing facilities.

Landfill Cleanup. The Governor recommends \$20 million to provide alternative financing for landfill cleanup rather than pursuing responsible parties under the Superfund program. Bonding will be used to fund part of the capital costs for cleaning up approximately 100 old landfill sites over a period of 10 or more years.

Underground Storage Tank Removal. A total of \$1.1 million is recommended for removal and replacement of underground storage tanks on DNR property.

Increased Monitoring Capability. Ten permanent monitoring stations are recommended at a cost of \$200,000 to provide continuous water quality data at major locations throughout the state.

Safe Drinking Water. The Governor recommends \$4 million to match \$20 million of federal funds providing a total of \$24 million for low-interest loans to communities for upgrading drinking water systems and bringing them into compliance with federal standards. Use of the state appropriation should be contingent upon Congress appropriating the federal funds.

Leveraging the State Revolving Fund (SRF). The Governor's recommendation of \$14.7 million will leverage \$73.7 million of federal funds, providing a total of \$88.4 million of new money in the SRF for the next two years. The use of SRF funds will be expanded to include non-point source pollution projects. Point source projects will also be expanded to include stormwater projects.

Under this proposal, \$34 million of SRF funds will be allocated for non-point source pollution projects. The non-point source pollution program will be composed of:

Agricultural and Rural Nonpoint Source Loan Program. Inadequate feedlot waste management systems are a major contributor to water pollution, but constructing facilities that do not pollute are expensive. The Minnesota River Basin, the karst areas in southeastern Minnesota, and the sand plains in central Minnesota are the most critical areas containing high loadings of sediment, oxygen-depleting wastes, and phosphorus. The Governor's proposal will provide approximately \$20 million for low-cost loans to make feedlot upgrades and Best Management Practices (BMP) more affordable. The Minnesota Department of Agriculture (MDA) and the Board of Water and Soil Resources (BWSR) will develop and implement a mechanism for delivering SRF loans to agricultural land owners. This mechanism will include loans administered by local lending entities as well as a direct MDA loan option. Where appropriate these loans will leverage BWSR's cost sharing dollars to put more conservation measures on the ground.

Nonpoint Source Partnerships. The Clean Water Partnership (CWP) and Clean Lakes Programs (CLP) are examples of successful partnerships with local entities to address nonpoint source pollution of local resources. However, funding is not sufficient to cover all approved implementation plans or activities such as dredging that are important but not eligible for CWP or CLP funding. The Governor's proposal earmarks \$10 million in low-cost loans for these purposes.

Individual Sewage Treatment Systems (ISTS). Households, resorts, and other small businesses are contributors to nonpoint source pollution due to below standard sewage treatment. The Governor's proposal includes approximately \$4 million for ISTS low-cost SRF loans. These funds are administered by the Minnesota Housing Finance Agency (MHFA) and the Department of Trade and Economic Development (DTED). The MHFA will make loans to homeowners that are integrated with the agency's existing home rehabilitation programs. DTED will make loans to small businesses to supplement the existing Small Communities Development and Tourism Loan Programs.

Storm Water Projects. The remaining SRF funds will be directed to point source pollution projects. A new storm water program is recommended to address the needs of many communities to upgrade storm water systems and reduce storm water runoff. The Minnesota Control Agency (MPCA) will certify storm water projects eligible for funding. The MPCA and PFA/DTED will coordinate, develop, and implement a loan program for storm water projects which will be administered like the existing municipal wastewater treatment program.

The SRF has made a tremendous contribution to reducing point source pollution. The expansion to non-point source pollution is a significant beginning in a long term effort to substantially reduce pollution. Future allocations of SRF dollars will be weighted even heavier towards non-point source pollution. The specific amounts in particular categories will be based on the experience gained from this first effort.

■ **SUSTAINABLE DEVELOPMENT:** The environmental task force has established goals based upon the following assumptions:

Long term economic development is not possible unless the environment is protected.

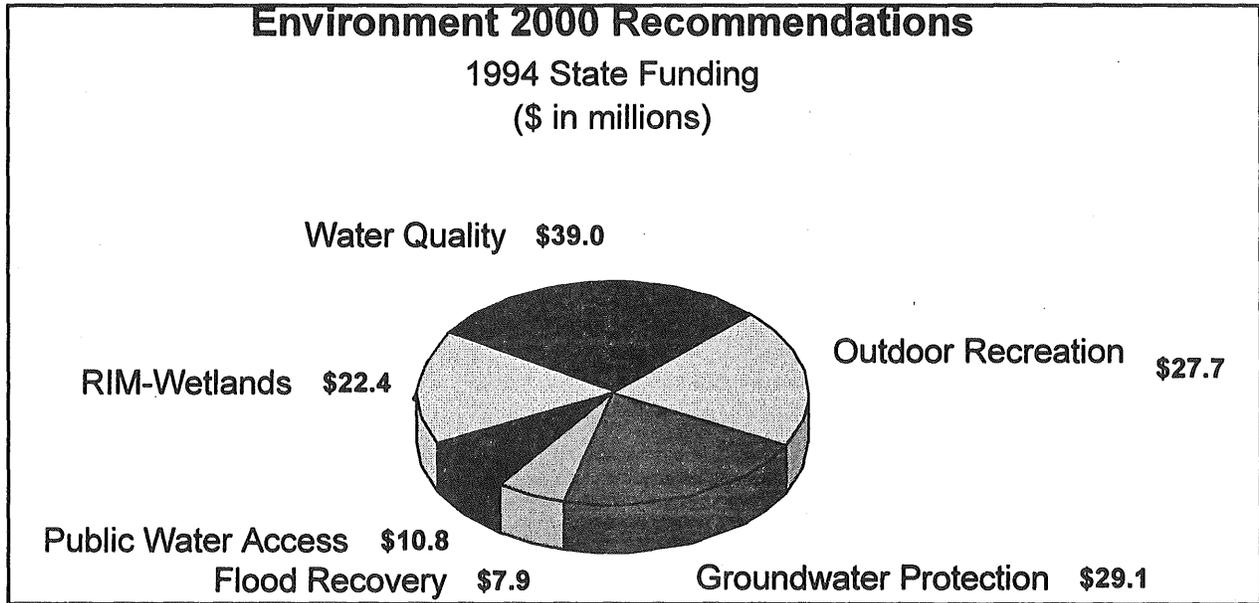
Long term economic development is essential to maintain our quality of life.

Long term stability and balance must inform both environmental and development decisions.

While there are no specific measures in the capital budget regarding sustainable development, the goals and assumptions of this theme will be assimilated in future budget and policy initiatives starting with LCMR proposals.

Additional Initiatives: The Governor will forward a package of proposals to the Legislative Commission on Minnesota Resources in early February for consideration as the LCMR prepares recommendations for appropriations from the Minnesota Resources Fund and the Environmental Trust Fund. These proposals are coordinated with his capital budget recommendations to contribute towards furthering the environmental goals outlined above. In March, the Governor will present recommendations for General Fund appropriations necessary to implement the non-point source pollution recommendations made in this Capital Budget.

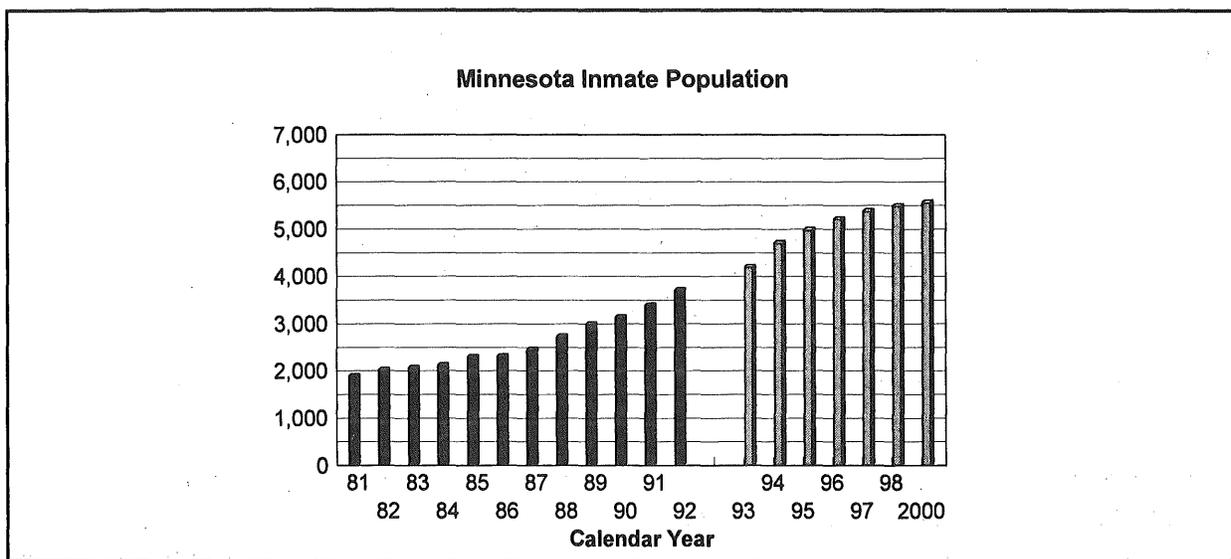
The following pie chart illustrates the Governor's 1994-95 General Fund supported recommendations by significant program area:



HUMAN DEVELOPMENT INITIATIVES

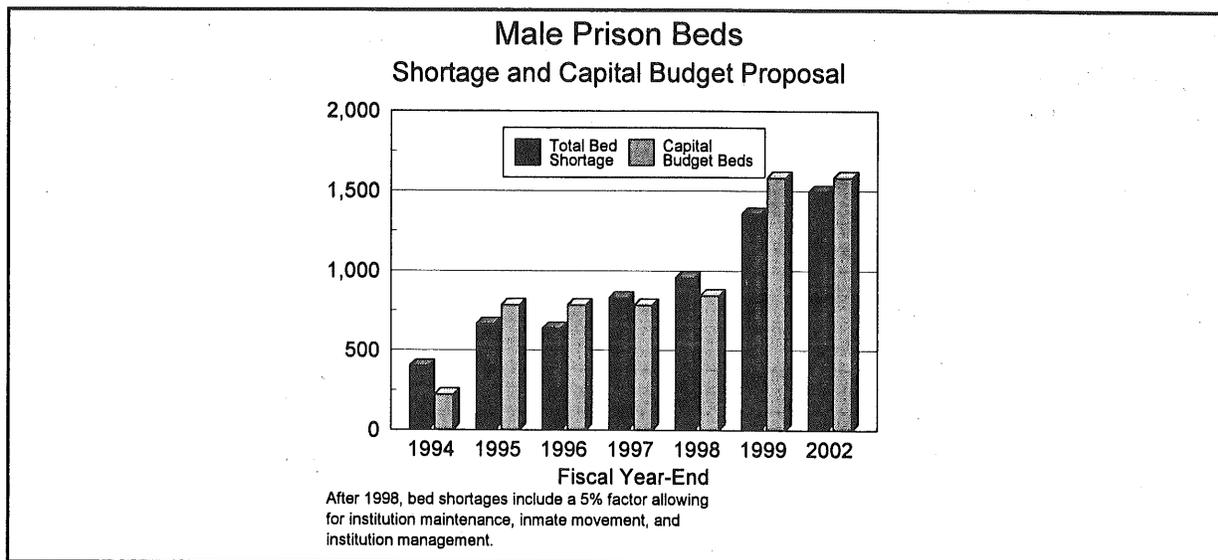
CORRECTIONS AND CRIME PREVENTION PROGRAMS

Ongoing rapid growth in the adult prison population continues to be the driving force behind the Governor's recommendation for the Department of Corrections. From 1981 to 1992 Minnesota's adult prison population increased from 1,886 to 3,699, an increase of 96%. This population is projected to increase to 5,558 by the year 2000 - an explosion of an additional 50% over the 1992 level even without the increased criminal penalties frequently called for by the public.



For several years, the state has struggled to develop new prison beds fast enough to accommodate this explosion of new inmates. This development has taken place within the context of a commitment to utilize surplus space created on RTC campuses as Human Services populations decrease. The state's policy to use vacated RTC space is based upon the premise that the state has a continuing responsibility for the economic viability of RTC communities and that the state has already created a talented pool of available workers in these communities. Campus conversion efforts have been generally successful in meeting correctional needs during recent years. However, as of November 1993 the state's adult prison capacity was 3,850, while the prison population actually exceeded 4,100--250 more than existing facilities' capacity.

Good correctional practices indicate that institutions should operate at 95% of design capacity to allow for movement of inmates, maintenance and other factors. Current population pressures have eliminated the department's ability to employ this management flexibility.



A comparison of the projected number of adult male prisoners that will be in the state prison system and the number of beds available within the system over time indicates a bed shortage of 402 in F.Y. 1994 (including those already in the system). Unless additional investments are made, this shortage will continue to grow to over 1200 by F.Y. 2002.

The capital projects recommended by the Governor address this capacity problem in several ways:

- \$20.5 million to increase prison bed capacity by the development of new beds on the grounds of state Regional Treatment Centers (RTCs) as these centers are vacated by the Department of Human Services.
- \$25 million to increase prison bed capacity on the grounds of existing correctional facilities.

- \$26.5 million to maintain the usefulness of existing correctional facilities by addressing the physical needs of these facilities in light of current and forecast inmate populations.

The Governor's recommendations include a total of 16 projects costing \$72 million to maintain, enhance, and develop correctional facilities in F.Y. 94. Planning estimates for F.Y. 96 include \$102 million of which \$78 million would be used to construct an 800 bed facility in the metro area. The prison bed capacity brought about by these projects will address the current overcrowding, the projected population growth, and return management flexibility to the department.

HUMAN SERVICES PROGRAMS

The overall context for the Governor's Strategic Capital Budget Plan for the Department of Human Services is one of a reduced but more sharply focused role for state operated residential treatment services.

The average daily population of persons served by state operated residential treatment programs has declined dramatically from its peak of 16,000 in 1960 to approximately 2,500 in 1993 as the state has adopted an active policy of community based treatment for all but the most challenging individuals.

People previously institutionalized because of mental illness are now able to live in their home communities through the use of new psychotropic drugs. People previously institutionalized because of developmental disabilities now live, go to school, and work in the community.

Within the context of this major change, the role of the traditional state Regional Treatment Centers (RTCs) is also evolving. The department is now focusing its treatment offerings, both at the RTCs and the state operated community services (SOCS) on smaller, very specific client groups with needs not readily met by the network of private providers that has developed.

The Governor's Capital Budget recommendations are designed to further three long range strategic goals:

- Continue the development of community based treatment resources for developmentally disabled and mentally ill persons.
- Reduce the cost of caring for patients with serious and persistent mental illness (SPMI) without compromising quality of service, by reducing the number of state RTC beds and developing a community mental health service infrastructure.
- Enhance the number of SPMI beds provided in the Twin City Metropolitan Area by replacing aged and inadequate state facilities.

In order to move forward on these strategic goals, the Governor recommends approval of the following capital projects in the 1994 session:

- \$8.8 million to purchase existing homes for state operated community based waived services.
- \$38.4 million to construct a new 150 bed psychiatric hospital as the first phase of an Anoka Metro RTC modernization plan.
- \$1.6 million to purchase of two apartment style buildings in the metropolitan area in order to establish a new, community based pre-discharge transition program for mentally ill persons.

VETERANS HOMES

The Minnesota Veterans' Home Board is responsible for the provision of nursing home care and other related health and social services to those Minnesota veterans who experience behavioral and health problems which make them unsuitable candidates for placement in other, private long term care facilities.

The Minneapolis Veteran's Home is a unique campus on the National Historic Register, that blends elements of the state's historic architectural past with those of a modern health care facility. Major portions of the campus have fallen into serious disrepair and are in need of renovation in order to meet the needs of residents. The proposed plan

provides for the development of campus zones focusing on the specific needs of discrete resident populations, ADA compliance, renovation of buildings for nursing and board and care services, restoration of the historic buildings on campus, restoration of the steel arch bridge access, asbestos removal, lighting and energy conservation improvements, and improvement of traffic circulation.

Based upon the strategic plan developed by the Board, the Governor recommends the complete renovation of the campus at a projected cost of \$30.4 million. By renovating the entire campus, the project qualifies for 65% participation by the U.S. Department of Veterans Affairs. With this participation, the state will be able to finance the renovation with \$10.6 million of state funds and \$19.7 million of federal funds.

STATE AGENCIES

STRATEGIC PLAN FOR LOCATING STATE AGENCIES

Business as Usual vs. Strategic Approach. Historically, acquisition of space for state agency operations has followed two tracks: construction or remodeling of facilities through the capital budget process and leasing space through the operating budget. These two distinct tracks have led to a fragmented, costly inventory of agency office space.

The Governor's F.Y. 1994-99 Strategic Capital Budget Plan begins the implementation of a long-range strategic plan for locating state agencies in the Twin Cities metropolitan area. The strategic plan lays the foundation for significant changes over the next 20 years. It brings the two tracks together, focusing on the total need for space and the best means for acquiring it.

Key Features of the Strategic Plan. The two key premises of the long-range strategic plan are that the plan be flexible so that it can be adapted to changing state agency needs and changes in the marketplace; and that it is financially better for Minnesota's taxpayers to own rather than to lease space over the long run. The plan sets a goal of moving from the current 47% state owned and 53% leased to a ratio of 70% owned and 30% leased over a period of time. The plan recognizes that each decision on where and how to best acquire office space must be made on its own merits after a thorough analysis of the alternatives: building, buying, leasing, or adapting existing facilities to new uses.

Under the plan, state agency central office operations would be concentrated in St. Paul, near the Capitol, while an expanded effort would be made to locate direct service operations closer to where citizens work and live. Regional service centers would be established to provide more immediate access to state services, permits and licenses in a one-stop shopping concept. Greater use of technology would be made to provide on line information and state services directly to people in their homes and at work.

Space Needs. In the past, demand for state office space in the Twin Cities has greatly outrun new state construction. The current space inventory consists of 1,800,000 square feet of state-owned space and 2,000,000 square feet of leased space. The amount of leased office space has more than doubled over the last 16 years while the amount of owned space has remained relatively constant. Whenever state agencies needed more space, it was leased for a short term at market rates, the most expensive option in most cases.

The Strategic Plan for locating state agencies was based on a range in the growth of space needs in the metropolitan area over the next 20 years. In order to plan for potential impacts, growth up to 2 percent annually was considered. If a slower or no-growth pattern is assumed, the plan takes on a more cautious approach with more fiscally restrained methods of implementation.

The current shortfall of space is due to overcrowding and inadequate conference and training facilities. Agencies which experienced the most significant recent growth such as the Departments of Human Services and Health will need to be accommodated first in either new or expanded space, but other agencies will be required to reallocate space among existing facilities through careful space planning and use of technology.

Lease vs. Own. Numerous studies all indicate that it is generally more economical in the long run to own rather than to lease office space. The state currently pays \$27 million annually to lease office space in the metropolitan area at an average of \$13.32 per square foot. The Real Estate Management Division in the Department of Administration recently compared the cost of financing the current owned/leased ratio of 47%/53% with the 70%/30% long-term goal advanced in the strategic plan. The analysis concluded that the current policy will cost Minnesota's taxpayers \$50 million more over the next 20 years in current 1994 dollars.

If we continue this policy of "lease by default" in meeting state office space needs, the annual cost, based on current lease rates, would more than double over the next 20 years. By increasing the proportion of space we own, the state will not only better control long-term costs, it will also gain greater control over the quality, operations and management of office space.

Implementing the Strategic Plan. Rather than follow the most aggressive recommendation for construction of new state buildings, the Governor is directing the Commissioner of Administration to bring about a gradual acquisition of facilities over a longer period of time. More pre-design needs to be done before justifying new construction projects. The state also needs to more carefully consider the process of developing new office space on state-owned land.

The Governor's F.Y. 1994-99 Strategic Capital Budget Plan begins the long-term implementation of the strategic plan. It provides funds for the pre-design of a new facility for the Department of Health and pre-design funds for an education agency building, on state-owned land in the Capitol area. This Capital Budget also helps

enhance the preservation and improve the management of existing facilities, and will better manage public and private transportation to and from the Capitol.

The strategic plan and the F.Y. 1994-99 Strategic Capital Budget Plan seek to preserve the Capitol as the center of government and to enhance the capitol city as a model of managed growth, orderly development and balance between the public and private sectors. The plan is visionary and ambitious, but it is also practical and sensible. It will require a long-term commitment from elected officials, state employees, and the public to make the shared vision of the plan a reality over the next 20 years.

TRANSPORTATION

The Governor's Capital Budget includes recommendations for just over \$38 million in 1994 appropriations for transportation. These recommendations are in addition to his recommendation to renovate the headquarters building which is listed under appropriations to the Commissioner of Administration. These recommendations include a component to be financed by general obligation bonds and another component financed by cash appropriations from the Trunk Highway Fund.

- **Bloomington Ferry Bridge.** The Governor recommends \$13.4 million in general obligation bonds for the last installment of this major bridge project.
- **Local Bridge Replacement.** The Governor recommends \$10 million in general obligation bonds for grants to local governments to improve the quality and safety of local bridges. Also included in the 1994-99 Strategic Capital Budget Plan are preliminary recommendations for an additional \$10 million in 1996 and another \$10 million in 1998.
- **Federal Aid Demonstration Projects.** The Governor recommends \$1.8 million in general obligation bonds as a matching contribution to secure federal funds for demonstration projects. This appropriation is conditional upon local agencies receiving the funds to provide one half of the federal match.
- **Trunk Highway Fund.** The Governor recommends a cash appropriation of \$12.8 million from the Trunk Highway Fund to finance the agency's capital plan to construct various projects such as truck stations, storage facilities, rest area facilities, and weighing scales.

CAPITAL BUDGET FINANCING

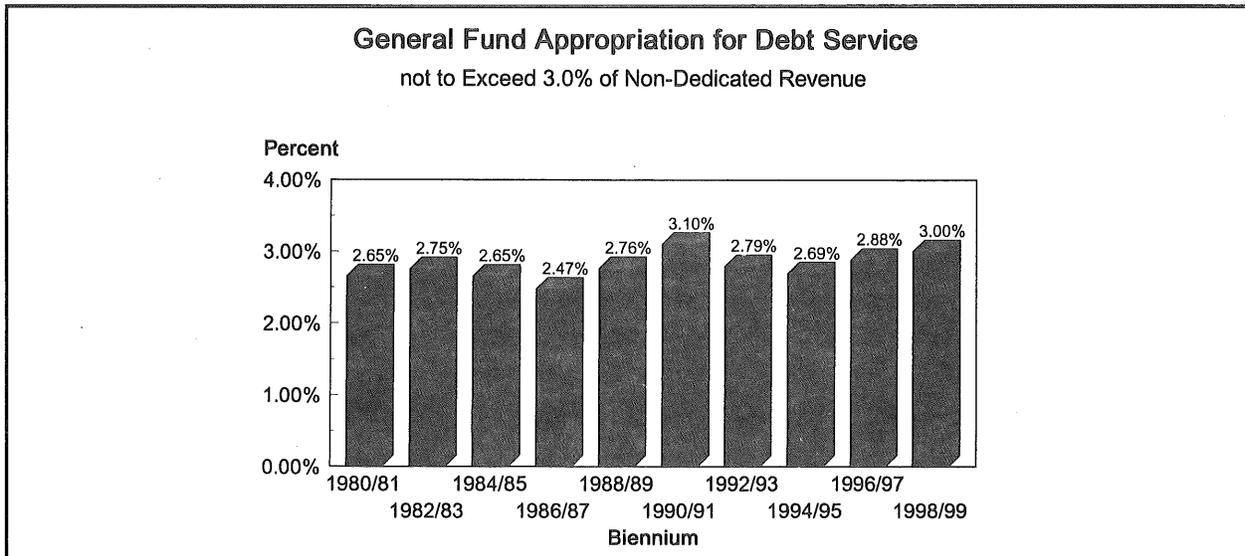
DEBT MANAGEMENT POLICY

The Debt Management Policy includes three goals:

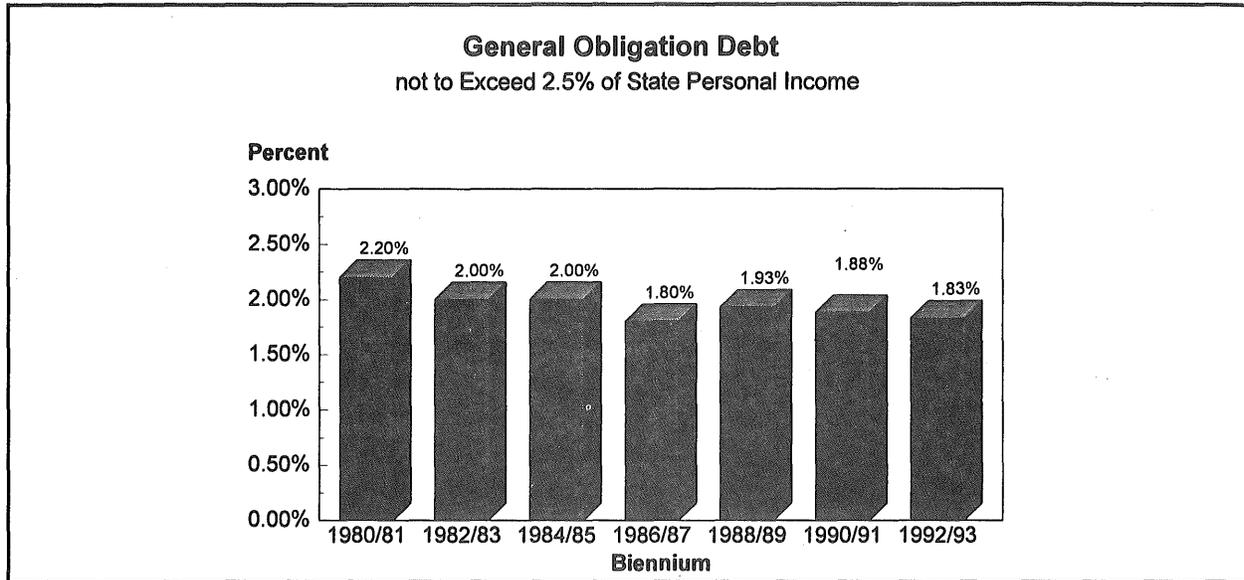
- Restore the AAA bond ratings
- Minimize State borrowing costs
- Provide a reasonable financing capacity within a prudent debt limit

Four debt management guidelines have been established to attain the Debt Management Policy goals.

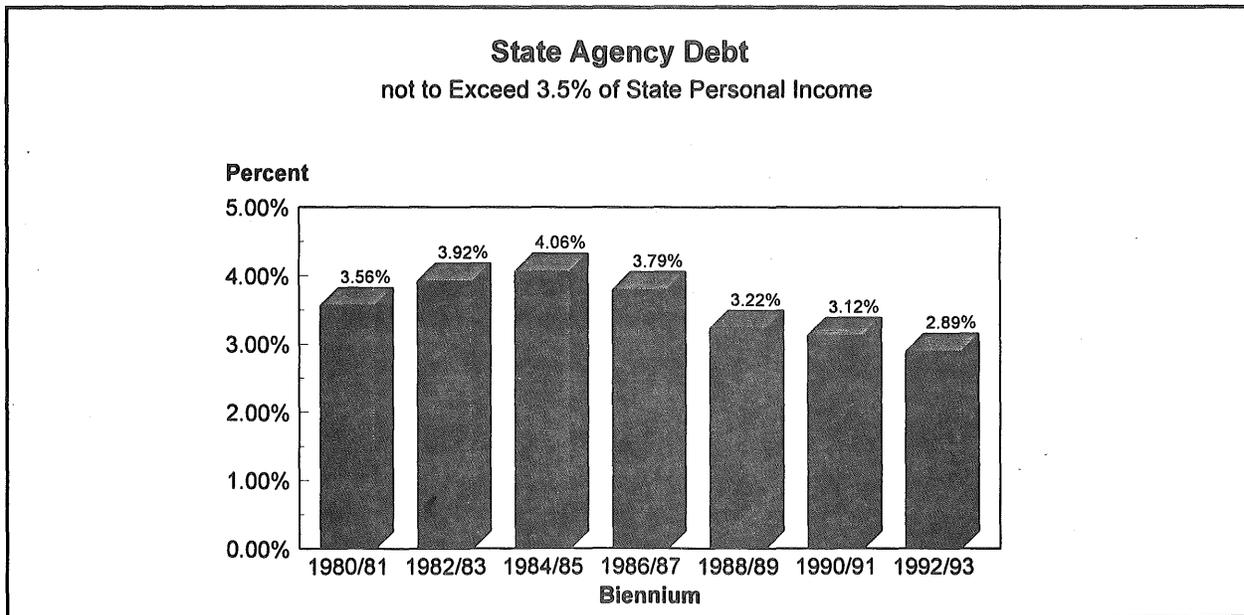
The first guideline limits the general fund appropriation for debt service to 3.0% of general fund non-dedicated revenues. This guideline is the most commonly discussed guideline and has been the constraining factor in recent years in determining the amount of new general obligation bonds which can be issued each biennium.



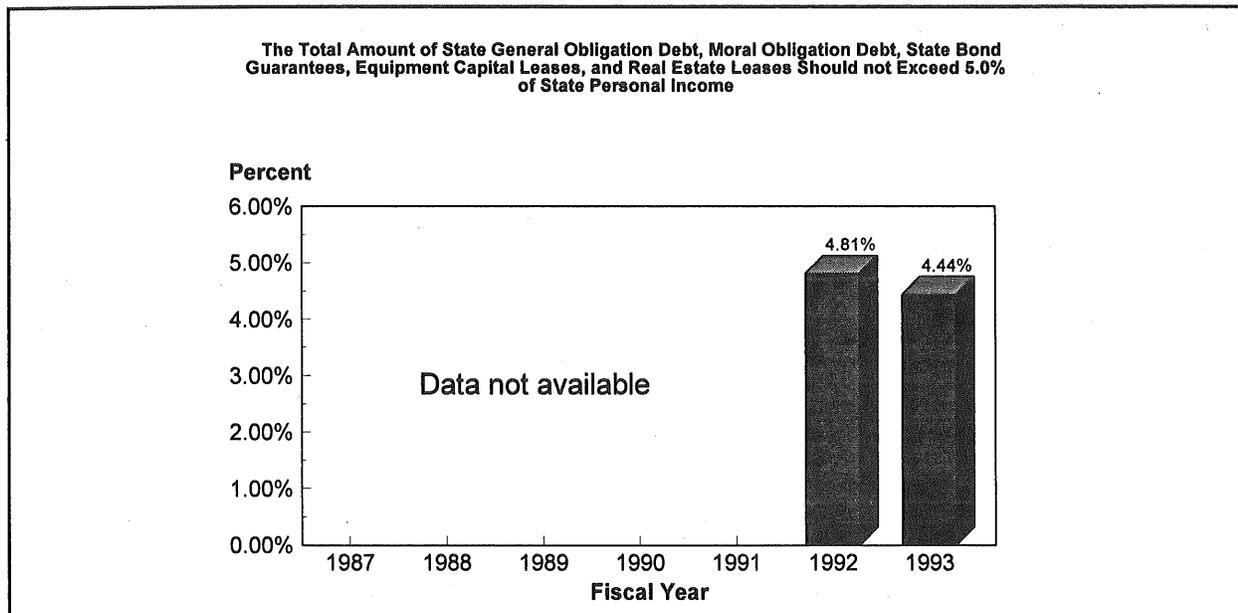
The second guideline states that general obligation debt should not exceed 2.5% of state personal income. Personal income is a measure of the state's wealth and this ratio limits the amount of general obligation debt outstanding to a percentage of this state wealth.



The third guideline is the same ratio as in the second guideline but the debt outstanding is state agencies debt. This guideline limits the state agency debt to 3.5% of state personal income.



The fourth guideline was established in 1993. This new guideline adds the amount of state general obligation debt, moral obligation bonds, state bond guarantees, equipment capital leases, and real estate leases and limits the total to 5.0% of state personal income. This guideline limits future commitments to 5.0% of the state's wealth as measured by personal income.



BOND RATINGS

The state's general obligation bonds are rated by three credit rating agencies. Moody's Investors Service rates the state's bond Aa, Standard & Poor's Corporation rates the bonds AA+ and Fitch Investors Service rates the bonds AAA.

Fitch upgraded the state from AA+ to AAA in July, 1993. Fitch stated in their credit review at the time of the upgrade that "Minnesota's credit has been incrementally strengthened through the consistent development and application of conservative debt and financial policies. Debt is expected to continue at its present low to moderate level and sizeable cash reserves have been maintained. The state's economy is broad based, with positive wealth levels and attention to frequent reforecasting allows prompt action changes. The rating revision reflects the accumulation over the past

decade of these management improvements as well as the fundamental credit characteristics of the state."

BONDS OUTSTANDING

The state sells general obligation bonds to fund capital projects. The state had \$1.8 billion of bonds outstanding on February 1, 1994. In addition, the state had \$482 million in bonds authorized but unissued.

BONDING CAPACITY

For the first time, the Governor's 1994-99 Strategic Capital Budget Plan manages bonding capacity over a six year period, rather than merely within the current biennium. Bonding capacity for new capital projects within any biennium is determined by several factors. These factors include the amount of the general fund appropriation for debt service, the amount of bonds outstanding, the amount of new bonds sold for existing authorizations during the biennium, interest rates and required capacity in future biennia to fund infrastructure needs.

The general fund appropriation for debt service must first be used to pay the debt service costs on the state's outstanding general obligation bonds. Next, this appropriation must be used to pay the debt service on new bonds sold for existing bonding authorizations. The remainder of the appropriation is available to pay the debt service on new bonds to be sold for new capital projects.

The Debt Management Planning Framework (Appendix A) shows that there is sufficient debt service available in the 1994-95 biennium to fund the Governor's recommended Capital Budget. In addition, there will be sufficient debt service available in *future* biennia to pay the debt service costs on all outstanding bonds and to allow for the authorization of new capital budgets in these future biennia.

CANCELLATION OF BALANCES

The 1993 Legislature directed the Commissioner of Finance to cancel the appropriations for capital projects that have been completed. The Commissioner has worked with state agencies to identify which projects are complete and the amount of money that could be cancelled. The Commissioner has cancelled \$3.9 million. A listing of the cancellations is attached in Appendix E.

The 1993 Legislature also required that the Commissioner recommend to the legislature current bond authorizations which could be cancelled. The Commissioner is recommending to the legislature that \$16.4 million in past authorizations be cancelled. A listing of the cancellations is attached in Appendix F.

The Commissioner plans to annually review the status of capital projects, cancel outstanding cash balances, and recommend to the legislature that it cancel bonding authorizations for completed projects.

CASH FLOW ESTIMATES

The Commissioner of Finance has worked with the state agencies with capital budget project requests to improve the cash flow estimates for their projects. In the past, the cash flow estimates submitted by state agencies for many of their capital projects have later been shown to be inaccurate. Usually, state agencies expect to spend the cash much faster than the actual spending rate. The Commissioner asked all the agencies to review the cash flows estimates that they had originally submitted. The revised cash flows were then reviewed by the Department of Finance and where the estimates appeared to be in question, the agencies were again asked to review these specific projects for accuracy.

State agencies estimate their cash flows assuming that their projects will all start the building process immediately after the capital budget bill is passed. However, the Department of Administration does not have the resources to process all the capital projects at the same time. In addition, there are other normal and required procedures that are necessary that result in project delays. These are delays that cannot be built into the individual capital projects cash flow estimates. Therefore, to recognize this overall delay, an administrative adjustment has been made to the cash flow estimates by the Department of Finance that delays one third of the total cash flows estimated for fiscal year 1995 until later years.

LONG-TERM STRATEGIC CAPITAL BUDGET PLANNING

LONG TERM FINANCIAL PLANNING

The Governor's F.Y. 1994-99 Strategic Capital Budget Plan inaugurates long term baseline financial planning in capital budgeting. Agencies have assessed their needs for the six-year period. The outyear implications of the Governor's 1994 recommendations have been estimated. Unreserved bonding capacity for the 1996-99 outyears has been identified. This baseline financial planning will provide a much more stable context for the F.Y. 1996-2001 Strategic Capital Budget Plan. We will be updating a strategic plan rather than starting from scratch without any long term estimate of need and financing capacity.

THE ROLLING SIX YEAR PLAN

The six year Strategic Capital Budget Plan was designed with a multi-year horizon in order to accomplish a number of goals.

Agencies prepared prudent requests within a long-range, strategic context allowing multi-year planning. Timely development of a Debt Capacity Model within the Department of Finance provides elected officials with the ability to make capital budget decisions in one biennium and understand how these decisions impact the state's future debt capacity over the next six years. Planning and multi-year models will keep the state firmly within its debt financing guidelines and eliminate peaks and valleys in capital bonding which would otherwise consume debt service appropriations and restrict future bonding capacity.

Thus, the six year approach produces a rolling, six year Strategic Capital Budget Plan in which the state understands its financing limits and makes decisions within these guidelines to ensure level, predictable investments. Agency requests not acted on in one session are re-evaluated in the next biennium against other competing needs. This process is repeated over time.

LONG TERM BONDING CAPACITY

Bonding capacity for new capital projects within any biennium is determined by several factors. The major factors consist of the size of the general fund appropriation for debt service, the amount of bonds outstanding, the amount of new bonds that must be sold to finance existing authorizations during the biennium and interest rates.

The Governor is presenting capital budget recommendations for action in 1994 totalling to \$524 million in general obligation bonds supported by the General Fund. If all of these recommendations are adopted by the legislature, there will remain a capacity for general obligation bond financing of \$555 million in the 1996-97 biennium and \$595 million in the 1998-99 biennium. All of the Governor's 1994 recommendations and his planning estimates for 1996-99 can be financed within the debt management 3% guideline.

If the outyear impact on bonding capacity were ignored, it would be possible to authorize a larger capital budget in general obligation debt for the 1994 legislative session. This larger capital budget, however, would consume all of the debt service estimated to be available in the 1996-97 biennium at the 3% guideline and would not allow any new capital projects to be authorized until the 1998-99 biennium. The result would be that all new bonds sold during the 1996-97 biennium would finance the projects approved in 1994. There would be no capital budget in 1996-97.

The table below shows a comparison of cumulative capital budgets. The first line shows the Governor's Capital Budget recommendations. The second line is the alternative maximizing capital budgets each legislative session. The amount of debt service used in both cases is the amount needed to finance the Governor's Capital Budget. Dollars are in millions.

	1994-95	1996-97	1998-99	2000-01	TOTAL
Governor	\$524	\$555	\$595	\$637	\$2,310
Alternative	575	0	1,160	0	1,735

Modeling of long term debt capacity has shown that over time more capital projects can be authorized when stable amounts of bonding are authorized each biennium compared to adopting a huge capital budget one biennium and leaving no capacity in the next biennium. Recent history has taught us the same lesson.

FUTURE CAPITAL BUDGET REFORM

The Governor's Strategic Capital Budget Plan incorporates many important capital budget reforms. The reform process is, however, a journey as much as it is a destination. Capital budget reform has evolved over time and will continue to adapt to changing needs.

This report has highlighted the implementation of reforms in order to make more informed investment decisions and to effectively manage resulting assets. This includes the introduction of agency strategic planning, development of a multi-year financing capacity, integration of capital and operating budgets, preservation of existing assets, staging of project costs and the use of a scoring system to evaluate the strategic value of agency requests.

Future capital budgets will be built upon this solid foundation. Additional advancements will be incorporated in the following items:

Scoring System. The scoring system will be refined to fully analyze the strategic value of agency requests. Scoring criteria and points will be modified by the Department of Finance to capture the complete strategic value of all capital projects.

Facilities Data Base. The Department of Administration will expand its building inventory and classification data base to evaluate the condition and suitability of all major state facilities. This data base will be updated each biennium and will improve our understanding of the size of the capital iceberg. It will be utilized to prioritize projects within and across state agencies. It will also be used to assess the need for repair and replacement appropriations in the operating budget as well as CAPRA allocations in the capital budget.

Building Standards and Project Staging. Capital budget reform has stressed the need to establish standards for building classification, cost estimating, space utilization, design guidelines and the sequencing of pre-design, design and construction appropriations. The Department of Administration will create such standards with the objective of integrating them into all stages of capital budgeting. This will include the formation of an inter-agency task force to establish guidelines for how agencies produce pre-design and design documents.

APPENDICES

- **Appendix A: Capital Budget Debt Management Planning Framework**
Appendix A presents information regarding the Governor's recommendations, estimated bond authorizations, debt service capacity and debt service dollars available for F.Y. 1994-2001.
- **Appendix B: Governor's Recommendations by Capital Budget Theme**
Appendix B lists total project dollars requested by agencies and recommended by the Governor in major capital budget themes for F.Y. 1994-99. These themes include the policy areas of education, environment, human development, state government, and transportation. Projects are classified into one of two categories -- single year/building projects or multi-year programs.
- **Appendix C: Governor's Recommendations by Agency**
Appendix C lists all projects requested by agencies and recommended by the Governor. Projects are presented on an agency-by-agency basis in order of strategic score, with Governor's recommendations included for F.Y. 1994-99.
- **Appendix D: Governor's Recommendations in Rank Order of Importance**
Appendix D presents all Governor's recommendations for F.Y. 1994 in rank order. Project recommendations are listed in descending order by strategic score. This appendix is provided to comply with requirements of M.S. 16A.11.
- **Appendix E: Cancellation of Project Cash Balances**
Appendix E lists capital projects that have been completed and the amount of project cash balances that has been cancelled by the Commissioner of Finance.
- **Appendix F: Cancellation of Bonding Authorizations**
Appendix F lists past capital project authorizations that the Commissioner of Finance is recommending for cancellation by the legislature.
- **Appendix G: Qualification and Strategic Scoring**
Appendix G provides a description of the strategic scoring process used by the Department of Finance in evaluating F.Y. 1994 agency requests and the process utilized by the Department of Administration in assigning a readiness quotient to agency building requests.
- **Appendix H: Environmental Recommendations**
Appendix H lists environment projects recommended by the Governor.

STATE OF MINNESOTA

FY 1994 - 1999

Capital Budget Requests

Appendix B

Governor's Recommendations

(By Capital Budget Theme)

45

		Agency Request			Governor's Recommendation	Governor's Planning Estimates	
		FY 94	FY 96	FY 98	FY 94	FY 96	FY 98
Education	Single Year or Building Projects	359,054	285,910	374,053	158,330	43,736	93,700
	Multi-Year Programs/CAPRA/ADA	111,329	87,232	84,685	64,000	44,000	44,000
	Subtotals	\$470,383	\$373,142	\$458,738	\$222,330	\$87,736	\$137,700
Environment	Single Year or Building Projects	60,132	118,570	8,569	34,345	10,000	10,000
	Multi-Year Programs/CAPRA/ADA	252,625	234,512	265,242	142,427	129,340	129,340
	Subtotals	\$312,757	\$353,082	\$273,811	\$176,772	\$139,340	\$139,340
Human Development	Single Year or Building Projects	163,069	100,683	2,768	131,763	102,303	0
	Multi-Year Programs/CAPRA/ADA	4,000	4,000	4,000	4,000	2,000	2,000
	Subtotals	\$167,069	\$104,683	\$6,768	\$135,763	\$104,303	\$2,000
State Government	Single Year or Building Projects	107,573	170,643	67,441	32,668	22,500	600
	Multi-Year Programs/CAPRA/ADA	87,530	72,380	70,219	42,616	43,580	43,669
	Subtotals	\$195,103	\$243,023	\$137,660	\$75,284	\$66,080	\$44,269
Transportation	Single Year or Building Projects	25,737	19,776	17,171	25,737	0	0
	Multi-Year Programs/CAPRA/ADA	67,160	69,224	68,331	12,340	10,000	10,000
	Subtotals	\$92,897	\$89,000	\$85,502	\$38,077	\$10,000	\$10,000
Total Single Year or Building Projects		715,565	695,582	470,002	382,843	178,539	104,300
Total Multi-Year Programs/CAPRA/ADA		522,644	467,348	492,477	265,383	228,920	229,009
Grand Totals		\$1,238,209	\$1,162,930	\$962,479	\$648,226	\$407,459	\$333,309

Appendix B

(\$ in Thousands)

STATE OF MINNESOTA
FY 1994 - 1999
Capital Budget Requests

Appendix C

Governor's Recommendations
(By Agency & Scores)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Administration

Statewide CAPRA	1	700	25,000	25,000	25,000	18,750	18,750	18,750
Statewide (ADA)	2	700	50,000	37,500	37,500	15,000	20,000	20,000
Renovate Transportation phase III	3	700	13,416	10,000	600	13,416	10,000	600
Agency relocation	8	700	1,167	0	0	1,167	0	0
State History Center, taxes	15	700	126	0	0	126	0	0
Capitol Area elevator renovation	11	235	650	350	2,500	650	0	0
New Health Building	5	230	2,130	78,382	0	400	0	0
New Military Affairs Facility	6	210	20,906	0	0	100	0	0
Electric utility infrastructure	10	200	600	1,440	1,440	600	0	0
New Support Service Building	4	190	17,725	0	0	100	0	0
New Public Safety Facility	7	190	600	0	0	600	0	0
Grant: Lake Superior Center Authority	16	162	8,000	0	0	8,000	0	0
Security lighting	9	160	1,100	0	0	0	0	0
New Education facility	13	150	1,270	2,032	44,893	250	0	0
Demolish Capitol Area Buildings	12	130	100	0	0	0	0	0
Capitol Area land acquisition	14	110	1,000	45,000	0	0	0	0
Constitutional Officers to State Capitol		80	0	0	0	100	0	0

Appendix C
 (\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Administration

Business Labor Trade facility		0	0	0	1,250	0	0	0
Upgrade Administration HVAC		0	0	0	500	0	0	0
Renovate Veteran's Service Building		0	0	500	3,000	0	0	0
Agency Totals			\$143,790	\$200,204	\$116,683	\$59,259	\$48,750	\$39,350

Amateur Sports Commission

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Rochester Volleyball Center	2	251	2,005	0	0	0	0	0
U of M - Women's Sport Pavillion	3	245	1,055	0	0	1,055	0	0
ROSEVILLE - Speedskating Oval	5	240	500	0	0	500	0	0
National Sports Center parking expansion	1	150	119	0	0	119	0	0
Inner City Sports Center Planning	4	70	100	0	0	0	0	0
U of M Aquatic Center		0	0	110	0	0	0	0
National Rowing Center		0	0	2,000	0	0	0	0
NSC Seating expansion		0	0	1,500	2,000	0	0	0
Agency Totals			\$3,779	\$3,610	\$2,000	\$1,674	\$0	\$0

Capital Area Arch. Plan Board

Capitol Building exterior restoration/renovation	1	285	7,000	0	0	5,485	0	0
Capitol Building: Ground floor public spaces	4	265	1,400	0	0	0	0	0
Capitol grounds planning rehabilitation	2	260	950	0	0	0	0	0
Capitol Building: Cafeteria restoration/renovation	5	245	1,300	0	0	0	0	0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation FY 94	Governor's Planning Estimates	
			FY 94	FY 96	FY 98		FY 96	FY 98

Capital Area Arch. Plan Board

Capitol Building restore./renovat.of 1st floor:	8	225	120	5,980	0	0	0	0
Capitol Building grounds & access improvements:	7	200	755	245	0	0	0	0
Capitol Grounds: Signage	3	190	900	0	0	0	0	0
Capitol Building Phase IV planning	6	175	200	0	0	0	0	0
Capitol Grounds restore statuary & Court of Honor		0	0	420	0	0	0	0
Capitol Building rotunda and stairs		0	0	2,315	0	0	0	0
Capitol Building M&E systems upgrade		0	0	2,750	0	0	0	0
Capitol Building Phase V		0	0	4,265	0	0	0	0
Capitol Grounds Summit Park		0	0	0	350	0	0	0
Capitol Complex: Centennial Building exterior		0	0	0	3,900	0	0	0
		Agency Totals	\$12,625	\$15,975	\$4,250	\$5,485	\$0	\$0

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Center for Arts Education

Dorm renovation for boys	1	280	712	0	0	712	0	0
Dorm renovation to Rec Center	2	260	789	0	0	789	0	0
New wing to Main Building	3	190	5,338	0	0	0	0	0
Install computer cable		0	0	86	0	0	0	0
Repave roads/new sidewalks		0	0	0	80	0	0	0
		Agency Totals	\$6,839	\$86	\$80	\$1,501	\$0	\$0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98
Community College System								
Emergency Capital Asset Preservation & Repair	1	700	7,745	7,542	8,775	0	0	0
Infrastructure Repairs	4	305	2,180	570	0	0	0	0
NORMANDALE Community College	2	255	11,163	0	0	0	0	0
ANOKA-RAMSEY Community College	8	240	10,357	0	0	0	0	0
NORTH HENNEPIN Community College	5	235	9,519	0	0	0	0	0
MINNEAPOLIS Community College Planning	6	235	750	7,500	0	0	0	0
INVER HILLS Community College	7	235	5,777	0	0	0	0	0
CAMBRIDGE Community College	3	230	8,067	0	0	0	0	0
LAKEWOOD Community College	9	215	4,298	0	0	0	0	0
ARROWHEAD Region planning	10	150	300	0	0	0	0	0
WORTHINGTON Community College	11	110	707	0	0	0	0	0
Northland Community College Predesign	12	70	100	1,175	0	0	0	0
Inver Hills Community College - Land & Road	13	70	850	0	0	0	0	0
Thief River Falls Community College - Student	14	40	2,895	0	0	0	0	0
MESABI - Community College		0	0	4,500	0	0	0	0
HIBBING - Community College		0	0	4,500	0	0	0	0
ITASCA - Community College		0	0	4,500	0	0	0	0
VERMILLION - Community College		0	0	4,500	0	0	0	0
CAMBRIDGE - Community College Center		0	0	0	4,700	0	0	0
FOND DU LAC - Community College Center		0	0	0	4,700	0	0	0
FERGUS FALLS - Community College		0	0	0	4,500	0	0	0
ROCHESTER - Community College (UCR)		0	0	0	7,000	0	0	0
	Agency Totals		\$64,708	\$34,787	\$29,675	\$0	\$0	\$0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Corrections

MOOSE LAKE - Complete conversion	1	700	20,520	0	0	20,520	0	0
RED WING - Construct Juvenile Security Cottage	3	700	2,808	0	0	2,808	0	0
ST. CLOUD - Relocate/Renovate Visiting Room	6	700	2,316	0	0	2,316	0	0
Install 3 new generators	8	700	1,245	0	0	1,245	0	0
Inmate bed expansion	2	305	25,444	92,400	0	24,804	93,040	0
STILLWATER - Renovation C Annex	4	285	5,148	0	0	5,148	0	0
STILLWATER - Master Control Center/Perimeter	10	260	1,505	0	0	1,505	0	0
STILLWATER - Renovate/Expand Industry	5	240	1,721	0	0	1,721	0	0
FARIBAULT - Rehab Education Bldg	12	220	832	0	0	832	0	0
STILLWATER - Construct Health Services Center	7	210	9,853	0	0	590	9,263	0
ST. CLOUD - Upgrade security system	16	200	695	0	0	0	0	0
THISTLEDEW - Educational Building	9	180	1,542	0	0	527	0	0
ST. CLOUD - Replumb E House and Education	13	150	2,000	0	0	0	0	0
OAK PARK HEIGHTS - Complex modifications	15	150	100	0	0	0	0	0
SAUK CENTER - Renovate living units	17	145	990	990	1,000	0	0	0
STILLWATER - New Receiving Complex	11	140	7,486	0	0	0	0	0
SAUK CENTER - Consolidate Education areas	20	125	584	0	0	0	0	0
WILLOW RIVER-Fire Protection/Water System	21	120	805	0	0	0	0	0
STILLWATER - Install water treatment system	14	110	880	0	0	0	0	0
OAK PARK HEIGHTS - Thermal imaging system	18	100	550	0	0	0	0	0
WILLOW RIVER - Replace Activities Building	19	100	1,295	0	0	0	0	0
Regional Juvenile Centers	22	70	10,000	0	0	10,000	0	0
RED WING - Replace roads		0	0	114	0	0	0	0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Corrections

LINO LAKES - Renovate Infirmary building		0	0	150	0	0	0	0
SAUK CENTRE - Construct new Maintenance		0	0	120	0	0	0	0
STILLWATER - Administration Office Addition		0	0	500	0	0	0	0
ST CLOUD - Consolidate plant maintenance		0	0	2,188	0	0	0	0
ST CLOUD - Expand and renovate ICU		0	0	703	0	0	0	0
ST CLOUD - Construct water metering station		0	0	188	0	0	0	0
ST CLOUD - Construct 2nd floor in boiler room		0	0	175	0	0	0	0
ST CLOUD - Construct B House Dayroom		0	0	655	0	0	0	0
ST CLOUD - Replace sewer lines		0	0	2,500	0	0	0	0
LINO LAKES - Renovate Cottage kitchens		0	0	0	175	0	0	0
ST CLOUD - Facility climate control		0	0	0	875	0	0	0
ST CLOUD - Construct new warehouse building		0	0	0	405	0	0	0
ST. CLOUD - Install new Industry elevator		0	0	0	313	0	0	0
Agency Totals			\$98,319	\$100,683	\$2,768	\$72,016	\$102,303	\$0

Education (K-12 Aids)

Maximum Effort School loan - Nett Lake	1	700	2,967	0	0	2,967	0	0
Maximum Effort School loan - Big Lake	2	212	9,770	0	0	9,770	0	0
School Building Cap Improv. grant	3	210	18,000	6,000	0	0	0	0
Coop Secondary Facilities grants	4	166	12,000	12,000	12,000	0	0	0
Agency Totals			\$42,737	\$18,000	\$12,000	\$12,737	\$0	\$0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Higher Education Board

Higher Education CAPRA		700	0	0	0	29,000	29,000	29,000
MANKATO - Fire Protection		700	0	0	0	660	0	0
ST. CLOUD - New Boiler Construction		285	0	0	0	2,100	0	0
High Priority Construction		201	0	0	0	70,000	0	0
General Facility Planning		155	0	0	0	1,500	0	0
Information Services Planning		155	0	0	0	1,000	0	0
Library Design and Construction		0	0	0	0	0	3,000	58,000
Agency Totals			\$0	\$0	\$0	\$104,260	\$32,000	\$87,000

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Historical Society

St. Anthony Falls Heritage Zone	6	307	1,000	1,000	0	0	0	0
Historic Site Preservation and Repair	1	305	2,741	0	0	2,050	0	0
Historic Site Permanent Exhibit Repair & County and Local Preservation Projects	2	305	1,273	0	0	950	0	0
Statewide I.S.T.E.A. Preservation Projects	4	280	500	500	500	500	0	0
Ramsey House Modifications	5	280	1,000	500	500	1,000	500	500
St. Anthony Falls Heritage Zone Orientation	3	230	100	0	0	0	0	0
State Capitol restore furnishings	7	230	200	800	0	0	0	0
LeDuc House restoration of interior and	9	215	150	0	0	0	0	0
Historic Fort Snelling site improvements	10	190	588	250	0	0	0	0
North West Company Fur Post Interpretive Center	14	170	350	0	0	0	0	0
Sibley House master plan	11	140	3,102	0	0	0	0	0
	8	125	98	0	0	0	0	0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Historical Society

History Center public use modifications	12	115	164	0	0	0	0	0
Traverse des Sioux site development	13	115	154	0	0	0	0	0
History Center parking ramp planning	15	90	200	6,485	0	0	0	0
Ramsey House interior restoration		0	0	50	0	0	0	0
Conservation and preservation of State Capitol		0	0	190	0	0	0	0
Ramsey House restore cast iron fence		0	0	75	0	0	0	0
Fort Snelling restoration		0	0	65	125	0	0	0
Lower Sioux Agency Interpretive Center remodel		0	0	386	0	0	0	0
Lindbergh Exhibit replacement		0	0	200	0	0	0	0
Oliver Kelley Farm Maintenance Building		0	0	165	0	0	0	0
Historic Forestville development		0	0	450	2,000	0	0	0
Grand Mound expansion		0	0	75	0	0	0	0
Lower Sioux Agency Trail development		0	0	0	142	0	0	0
Split Rock Lighthouse reconstruct barn		0	0	0	110	0	0	0
Fort Ridgley Upper Sioux Trails		0	0	0	100	0	0	0
Birch Coulee Battlefield site development		0	0	0	206	0	0	0
Agency Totals			\$11,620	\$11,191	\$3,683	\$4,500	\$500	\$500

Housing Finance Agency

Publicly Owned Transitional Housing	1	307	2,000	2,000	2,000	2,000	2,000	2,000
Agency Totals			\$2,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
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Human Services

Demolish Building #30 - MLRTC	6	700	225	0	0	225	0	0
Purchase Homes for State-Operated Waiver	1	395	8,835	0	0	8,835	0	0
Construct Res., Prgrm., & Ancillary Serv. Fac. -	2	265	38,425	0	0	38,425	0	0
Metro Area Pre-Discharge Programs	3	160	1,632	0	0	1,632	0	0
Complete Campus-Wide HVAC Upgrade -	4	135	4,390	0	0	0	0	0
Install Air Conditioning Tomlison Hall SPRTC	5	135	215	0	0	0	0	0
Agency Totals			\$53,722	\$0	\$0	\$49,117	\$0	\$0

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Humanities Commission

Restoration of Gillette Hospital Wing	1	247	1,300	0	0	0	0	0
Agency Totals			\$1,300	\$0	\$0	\$0	\$0	\$0

Jobs and Training

Head Start Facility Grants	1	250	2,000	2,000	2,000	2,000	0	0
Agency Totals			\$2,000	\$2,000	\$2,000	\$2,000	\$0	\$0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
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Labor Interpretive Center

Labor Interpretive Center	1	210	12,500	0	0	0	12,500	0
Agency Totals			\$12,500	\$0	\$0	\$0	\$12,500	\$0

Military Affairs

Renovate 30 facilities kitchens (10 per bienium)	1	230	366	330	419	366	330	419
Agency Totals			\$366	\$330	\$419	\$366	\$330	\$419

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Natural Resources

Underground storage tank removal & replacement	B03	700	1,097	0	0	1,097	0	0
Well sealing & inventory on DNR lands	NB02	700	500	700	900	500	500	500
Flood Hazard Mitigation grants	NB05	376	2,949	4,000	4,000	2,350	2,000	2,000
Dam repair/reconstruction/removal	NB04	348	4,350	2,000	2,000	3,650	3,500	3,500
Statewide Deferred Renewal	B01	305	2,500	8,500	10,400	1,900	2,500	2,500
Office Facility Consolidation	B02	305	10,410	12,320	5,000	6,360	10,000	10,000
State Park betterment and rehabilitation	NB01	305	2,850	3,000	3,000	1,500	2,000	2,000
Trail rehabilitation and adaption	NB03	305	965	1,000	1,600	965	1,000	1,000
State Park building rehabilitation	B04	285	4,350	5,000	5,000	3,000	3,000	3,000
Forestry recreation facility rehabilitation	NB08	285	606	300	300	606	300	300
Forestry roads and bridges	NB06	255	1,034	1,800	1,800	750	750	750
RIM - Wild, SNA, & Prairie B dev/hab imp	NB10	240	6,685	4,485	4,485	3,200	3,000	3,000
Metropolitan Council Regional Parks CIP	NB11	240	23,570	42,300	77,645	7,500	7,500	7,500

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
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Natural Resources

RIM - Wildlife & Natural Area land acquisition	NB15	221	15,800	12,700	12,700	6,300	6,500	6,500
State Park building development	B05	210	7,300	5,000	5,000	2,460	4,000	4,000
RIM - Fish & Wildlife Fisheries improvement	NB09	210	1,228	1,500	1,500	600	500	500
Residential Env. Learning Ctr. Grants	NB21	210	7,500	0	0	7,500	0	0
Local Recreation grants	NB12	200	7,000	7,000	7,000	1,000	0	0
St. Louis River land acquisition	NB14	198	3,400	0	0	4,400	0	0
Farmland Wildlife Research Facility	B06	195	631	0	0	0	0	0
Fish & Wildlife Fish Culture rehabilitation	NB07	190	1,402	619	619	600	500	500
Trail acquisition development and betterment	NB13	190	7,778	8,000	8,256	4,783	7,500	7,500
RIM - Fish & Wildlife Fisheries acquisition	NB16	190	350	700	800	250	350	350
Forestry Air Tanker Facilities	B07	181	718	0	0	718	0	0
Lake Superior Safe Harbors	NB20	176	8,532	4,284	3,915	6,400	0	0
Hibbing Drill Core Library/Reclamation Facility	B08	170	650	0	0	650	0	0
Fisheries Field office rehabilitation	B09	170	115	250	300	0	0	0
Water access acquisition and betterment	NB17	170	8,318	6,400	6,282	0	0	0
State Park acquisition	NB18	170	10,000	10,000	10,000	4,000	4,000	4,000
Forestry land acquisition	NB19	170	3,150	3,000	3,000	1,100	1,000	1,000
Laq Qui Parle WMA Office & Hunter Station	B10	135	540	0	0	540	0	0
International Wolf Center	B11	110	966	0	0	966	0	0
	Agency Totals		\$147,244	\$144,858	\$175,502	\$75,645	\$60,400	\$60,400

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Pollution Control Agency

Combined sewer overflow	1	700	20,076	0	0	20,076	0	0
Solid Waste Capital Assistance Program	3	244	11,475	10,225	8,000	7,500	7,500	7,500
Closed landfill cleanup	2	220	36,000	36,000	36,000	20,000	30,000	30,000
Water Quality Monitoring System	4	130	200	0	0	200	0	0
Agency Totals			\$67,751	\$46,225	\$44,000	\$47,776	\$37,500	\$37,500

Public Service

Energy Investment Loans	1	330	6,650	8,550	6,300	4,000	4,000	4,000
Agency Totals			\$6,650	\$8,550	\$6,300	\$4,000	\$4,000	\$4,000

Residential Academies

Demolish Dow Hall & Old Industry Bldg.	2	700	1,096	0	0	1,096	0	0
Renovate Noyes Hall East Wing	1	285	1,588	0	0	1,588	0	0
Exterior lighting both Campuses	4	215	472	0	0	0	0	0
Renovate West Cottage	5	215	1,710	0	0	0	0	0
Renovate Science Classrooms, fume hoods lab -	3	160	35	0	0	0	0	0
New garages for vehicles - MSAB	6	75	60	0	0	0	0	0
Additional Bathrooms - MSAB		0	0	58	0	0	0	0
New Gymnasium/Swimming Pool MSAD		0	0	3,715	0	0	0	0
Air conditioning Frechette & Tate Halls		0	0	240	0	0	0	0
Replace sidewalks - MSAB		0	0	60	0	0	0	0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Residential Academies

Upgrade heating system in Tate & Noyes Halls		0	0	1,110	0	0	0	0
Activities addition on Frechette Halla		0	0	0	72	0	0	0
Emergency Backup Generator System		0	0	0	865	0	0	0
Free Standing Power Plant/Heating Plant MSAB		0	0	0	1,680	0	0	0
Greenhouse, Bowling Alley - MSAB		0	0	0	529	0	0	0
New Theatre/Auditorium		0	0	0	1,220	0	0	0
Renovate Old Laundry Bldg - MSAD		0	0	0	644	0	0	0
Agency Totals			\$4,961	\$5,183	\$5,010	\$2,684	\$0	\$0

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Sibley House

Sibley House site restoration	1	230	1,373	1,794	2,208	0	0	0
Interpretive Center	2	140	1,100	1,369	2,117	0	0	0
Agency Totals			\$2,473	\$3,163	\$4,325	\$0	\$0	\$0

State Universities

SYSTEMWIDE - CAPRA	1	700	14,260	0	0	0	0	0
MANKATO - Fire protection	2	700	660	0	0	0	0	0
ST. CLOUD - New 100,000 lb boiler construction	3	285	2,100	0	0	0	0	0
WINONA - Library & chiller construct	4	255	27,320	0	0	0	0	0
BEMIDJI - Library remodel and addition	6	240	8,073	0	0	0	0	0
MANKATO - Trafton architectural & HVAC	11	235	1,711	0	0	0	0	0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

State Universities

ST. CLOUD - Library and related chiller	5	210	38,912	0	0	0	0	0
METROPOLITAN - Bldgs A and C remodel	7	210	16,385	0	0	0	0	0
MANKATO - Code compliance, infrastructure	10	195	6,640	0	0	0	0	0
MOORHEAD - Land acquisition, 5 block area	8	160	2,500	0	0	0	0	0
MOORHEAD - Frick-MacLean remodel	12	145	9,820	0	0	0	0	0
ST. CLOUD - Land acquisition, 6 block area	9	140	1,600	0	0	0	0	0
MANKATO - Highland Arena/Blakeslee Field	16	140	3,620	0	0	0	0	0
BEMIDJI - Bridgeman Hall remodel and addition	17	140	6,882	0	0	0	0	0
MANKATO - Armstrong Hall remodel	13	135	3,116	0	0	0	0	0
SOUTHWEST - Library remodel planning	14	130	290	0	0	0	0	0
ST. CLOUD - Classroom/Laboratory space need	19	100	100	0	0	0	0	0
MANKATO - New Classroom Building planning	18	90	320	0	0	0	0	0
SOUTHWEST - New Performing Arts Building	20	90	12,430	0	0	0	0	0
MANKATO - Computer Cntr Bldg	15	70	2,583	0	0	0	0	0
SYSTEMWIDE - Roofs, asbestos, tuckpointing,		0	0	4,270	0	0	0	0
BEMIDJI - South Campus air conditioning loop		0	0	2,000	0	0	0	0
BEMIDJI - Bangsberg Hall Addition (Auditorium)		0	0	2,360	0	0	0	0
BEMIDJI - Land Acquisition 14th and Birchmont		0	0	450	0	0	0	0
MANKATO - New classroom Building construction		0	0	7,570	0	0	0	0
MANKATO - New Student Services Building		0	0	10,000	0	0	0	0
MANKATO - Remodel/expansion projects		0	0	14,110	0	0	0	0
MANKATO - New Admin Bldg		0	0	18,100	0	0	0	0
MOORHEAD - New Music Building planning		0	0	450	0	0	0	0

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
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State Universities

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MOORHEAD - Hagen Hall remodeling	0	0	6,010	0	0	0	0	0
MOORHEAD - New classroom building phase II	0	0	4,800	0	0	0	0	0
ST CLOUD - Electrical upgrade/tunnel	0	0	6,400	0	0	0	0	0
ST CLOUD - Riverview Hall remodel	0	0	1,760	0	0	0	0	0
ST CLOUD - Eastman Hall remodel	0	0	3,140	0	0	0	0	0
SOUTHWEST - Library remodel construction	0	0	5,470	0	0	0	0	0
SOUTHWEST - New tennis courts (6)	0	0	260	0	0	0	0	0
SOUTHWEST - Energy mgmt extension to all	0	0	400	0	0	0	0	0
SOUTHWEST - Parking lots and access roads	0	0	530	0	0	0	0	0
SOUTHWEST - Fine Arts Bldg remodel	0	0	140	0	0	0	0	0
SOUTHWEST - Renewal of existing facilities	0	0	400	0	0	0	0	0
SOUTHWEST - Non-building projects	0	0	280	0	0	0	0	0
SOUTHWEST - Bellows Academic Center	0	0	1,200	0	0	0	0	0
SOUTHWEST - Exterior signage	0	0	170	0	0	0	0	0
WINONA - Minnie Hall HVAC system retrofit	0	0	130	0	0	0	0	0
WINONA CAMPUS - Master plan development	0	0	500	0	0	0	0	0
WINONA - Phelps/Howell Hall remodel	0	0	3,530	0	0	0	0	0
SYSTEMWIDE - Roofs, asbestos tuckpointing	0	0	0	6,960	0	0	0	0
BEMIDJI - Hag-Sauer Hall remodeling	0	0	0	6,200	0	0	0	0
BEMIDJI - Underground fuel storage replacement	0	0	0	1,000	0	0	0	0
MANKATO - Performing Arts black box theater	0	0	0	2,120	0	0	0	0
MANKATO - Trafton Science Center Addition	0	0	0	12,500	0	0	0	0
MOORHEAD - Lommen Hall remodeling	0	0	0	3,550	0	0	0	0

Appendix C
(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

State Universities

MOORHEAD - Nemzek Hall remodeling/addition		0	0	0	8,200	0	0	0
ST CLOUD - South side recreation/street		0	0	0	1,830	0	0	0
ST CLOUD - Brown Hall, Headley Hall, Math		0	0	0	2,000	0	0	0
ST CLOUD - New Services Building		0	0	0	3,000	0	0	0
ST CLOUD - Stadium track and tennis courts		0	0	0	3,100	0	0	0
SOUTHWEST - Fine arts building soundproof		0	0	0	630	0	0	0
SOUTHWEST - Student outdoor bubble		0	0	0	280	0	0	0
SOUTHWEST - Campus beautification		0	0	0	150	0	0	0
SOUTHWEST - Regional Support Center		0	0	0	380	0	0	0
WINONA - Gildemeister Hall remodel		0	0	0	2,120	0	0	0
WINONA - Pasteur Hall remodel		0	0	0	3,340	0	0	0
Agency Totals			\$159,322	\$94,430	\$57,360	\$0	\$0	\$0

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Technical College System

SYSTEMWIDE CAPRA	1	700	16,894	16,600	16,700	0	0	0
BRAINERD/STAPLES - Brainerd new campus	2	247	22,540	0	0	0	0	0
DULUTH - TC/CC Addition & renovation	3	235	24,614	0	0	0	0	0
DAKOTA COUNTY - Decision Driving Course	10	205	600	0	0	0	0	0
SYSTEMWIDE - Facilities Master Plans	4	185	250	250	250	0	0	0
ANOKA-HENNEPIN - Phase II planning	6	185	1,224	0	0	0	0	0
NW EAST GRAND FORKS - Medical Labs Equip	5	180	1,100	0	0	0	0	0
ST. CLOUD - Remodeling phase I	7	165	3,483	0	0	0	0	0

Appendix C

(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Technical College System

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NW WADENA - Utilities program facility	8	160	224	0	0	0	0	0
NW BEMIDJI - Phase I Planning	9	160	270	0	0	0	0	0
NE METRO - Truck Driving Instructional Support	11	140	162	0	0	0	0	0
ST. PAUL - Renovation planning	12	140	334	0	0	0	0	0
HUTCHINSON/WILMAR - Hutch. addition	13	140	380	0	0	0	0	0
HUTCHINSON/WILMAR - Consolidation Planning	16	120	50	0	0	0	0	0
MINN. RIVERLAND ROCHESTER Campus	19	120	2,262	24,226	0	0	0	0
HUTCHINSON/WILMAR - Willmar labs	15	115	85	0	0	0	0	0
RED WING/WINONA - Winona Truck program	17	85	253	0	0	0	0	0
MN RIVERLAND ROCHESTER - Greenhouse	14	80	82	0	0	0	0	0
THIEF RIVER FALLS - Student Center	18	40	2,895	0	0	0	0	0
ANOKA HENNEPIN - Phase II		0	0	14,076	0	0	0	0
NORTHWEST BEMIDJI - Phase I		0	0	3,298	0	0	0	0
ST. PAUL - First floor renovation		0	0	2,448	0	0	0	0
HUTCHINSON/WILMAR - Hutchinson addition		0	0	3,991	0	0	0	0
HUTCHINSON/WILMAR - Wilmar labs & shops		0	0	459	0	0	0	0
RED WING/WINONA - Winona truck program		0	0	2,910	0	0	0	0
ALEXANDRIA - Media Center		0	0	11,570	0	0	0	0
ALEXANDRIA - Transportation Center		0	0	3,510	0	0	0	0
ANOKA HENNEPIN - Air Traffic Control		0	0	1,050	0	0	0	0
BRAINERD/STAPLES - Staples W. Campus		0	0	540	0	0	0	0
DAKOTA COUNTY - Classroom addition		0	0	6,250	0	0	0	0
DAKOTA COUNTY - Wood finishing		0	0	375	0	0	0	0

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(\$ in Thousands)

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Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98		FY 94	FY 96
DULUTH - Fire Technology facility		0	0	3,275	0	0	0	0
HENNEPIN BROOKLYN PARK - Child Care		0	0	490	0	0	0	0
HENNEPIN EDEN PRAIRIE - Auditorium		0	0	185	0	0	0	0
MN RIVERLAND FARIBAULT - Classroom		0	0	1,100	0	0	0	0
MN RIVERLAND AUSTIN - Fire & life safety		0	0	706	0	0	0	0
NORTHEAST METRO - Dental Programs		0	0	575	0	0	0	0
NORTHEAST METRO - Front entry ramp		0	0	150	0	0	0	0
NORTHWEST MOORHEAD - Addition		0	0	3,505	0	0	0	0
RANGE HIBBING - North building expansion		0	0	1,990	0	0	0	0
RANGE HIBBING - Auto Shop expansion		0	0	463	0	0	0	0
SOUTH CENTRAL MANKATO - Student Services		0	0	273	0	0	0	0
SOUTH CENTRAL ALBERT LEA - Classroom		0	0	527	0	0	0	0
SOUTHWEST PIPESTONE - Health Care & Child		0	0	547	0	0	0	0
SOUTHWEST GRANITE FALLS - Auditorium		0	0	672	0	0	0	0
ST. CLOUD - Remodeling Phase II		0	0	5,055	0	0	0	0
ST. PAUL - Medical Lab renovation		0	0	155	0	0	0	0
ALEXANDRIA - Law Enforcement Center		0	0	0	2,997	0	0	0
ALEXANDRIA - Marine & Small Engine Center		0	0	0	2,698	0	0	0
ANOKA HENNEPIN - Phase III		0	0	0	13,805	0	0	0
DAKOTA COUNTY - Truck Storage		0	0	0	1,447	0	0	0
DULUTH - Structural Fire Training Center		0	0	0	2,070	0	0	0
HENNEPIN BROOKLYN PARK - Automotive		0	0	0	40	0	0	0
HENNEPIN EDEN PRAIRIE - Automotive		0	0	0	7	0	0	0

Appendix C
(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Technical College System

HUTCHINSON/WILMAR - Campus TC/CC		0	0	0	5,925	0	0	0
MN RIVERLAND AUSTIN - Communications		0	0	0	5,749	0	0	0
NORTHEAST METRO - Classroom addition		0	0	0	6,000	0	0	0
NORTHWEST THIEF RIVER FALLS - TC/CC		0	0	0	4,091	0	0	0
PINE - Phase I & II addition		0	0	0	5,337	0	0	0
RANGE EVELETH - Addition Phase I		0	0	0	5,922	0	0	0
RED WING/WINONA - Red Wing Campus		0	0	0	3,046	0	0	0
RED WING/WINONA - Winona addition		0	0	0	7,502	0	0	0
Agency Totals			\$77,702	\$111,221	\$83,586	\$0	\$0	\$0

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Trade and Economic Development

State match to SRF	1	306	14,740	14,740	14,740	14,740	14,740	14,740
State match for Drinking Water	2	256	17,200	13,200	13,200	4,000	13,200	13,200
Mpls Convention Center Expansion (Pre-Design)	3	90	14,800	99,700	0	0	0	0
Agency Totals			\$46,740	\$127,640	\$27,940	\$18,740	\$27,940	\$27,940

Transportation

Fire sprinkler installation	BO1	700	365	0	0	365	0	0
Asbestos removal	B16	700	150	0	0	150	0	0
Bloomington Ferry Bridge	NB01	700	13,392	0	0	13,392	0	0
Chemical Storage Buildings	BO2	285	1,030	0	0	1,030	0	0

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(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Transportation

ALBERT LEA - Weigh Scale	BO3	285	886	0	0	886	0	0
HUTCHINSON - Truck Station	BO4	285	897	0	0	897	0	0
MAPLEWOOD - Truck Station	BO5	285	5,440	0	0	5,440	0	0
Harbor improvement	NB02	280	3,000	3,000	3,000	0	0	0
DETROIT LAKES - Welding Shop	BO6	265	355	0	0	355	0	0
Crew Room Additions	BO7	265	302	0	0	302	0	0
TRACY - Truck Station	BO8	265	359	0	0	359	0	0
GOLDEN VALLEY - Equipment Storage	BO9	265	435	0	0	435	0	0
Local Road Bridge replacement	NB03	260	60,000	60,000	60,000	10,000	10,000	10,000
WADENA - Truck Station	B10	245	527	0	0	527	0	0
PRESTON - Truck Station	B11	245	174	0	0	174	0	0
Pole Type Storage Buildings	B15	225	611	0	0	611	0	0
CARLTON - Truck Station	B17	225	259	0	0	259	0	0
SAUK CENTER - Truck Station Addition	B18	225	255	0	0	255	0	0
Federal Aid Demonstration Projects	NB04	212	3,639	0	0	1,819	0	0
Class II Rest Areas	B12	190	200	0	0	200	0	0
Land acquisition	B13	190	250	0	0	250	0	0
Design fees	B14	125	371	0	0	371	0	0
ARDEN HILLS - Training Center		0	0	500	0	0	0	0
Asbestos removal		0	0	250	0	0	0	0
BAUDETTE - Truck Station Addition		0	0	135	0	0	0	0
BEMIDJI - Headquarters Building		0	0	9,000	0	0	0	0
CANNON FALLS - Truck Station Addition		0	0	165	0	0	0	0

Appendix C
(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Transportation

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Central Services Addition		0	0	790	0	0	0	0
Chemical Storage Sheds		0	0	1,315	0	0	0	0
Class II Rest Areas		0	0	294	0	0	0	0
Design fees		0	0	474	0	0	0	0
EFFIE - Truck Station		0	0	560	0	0	0	0
ELK RIVER - Truck Station Addition		0	0	245	0	0	0	0
ERSKINE - Truck Station Addition		0	0	240	0	0	0	0
GAYLORD - Truck Station		0	0	590	0	0	0	0
GLENCOE - Truck Station		0	0	485	0	0	0	0
HADER - Vicinity Rest Area		0	0	280	0	0	0	0
HASTINGS - Truck Station Addition		0	0	750	0	0	0	0
HIBBING - Truck Station Addition		0	0	300	0	0	0	0
ILLGIN CITY - Truck Station		0	0	485	0	0	0	0
LONG PRAIRIE - Truck Station Addition		0	0	175	0	0	0	0
MANLEY - Weigh Station		0	0	800	0	0	0	0
NORTH BRANCH - Truck Station Addition		0	0	436	0	0	0	0
NORTHOME - Truck Station Addition		0	0	140	0	0	0	0
OAKDALE - Equipment Storage Shed		0	0	400	0	0	0	0
Pole Type Storage Buildings		0	0	681	0	0	0	0
RUSHFORD - Truck Station		0	0	560	0	0	0	0
WINDOM - Maintenance Building Addition		0	0	450	0	0	0	0
ADA - Truck Stop addition		0	0	0	160	0	0	0
Asbestos removal		0	0	0	250	0	0	0

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(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98
Chemical Storage Sheds		0	0	0	800	0	0	0
Class II Rest Areas		0	0	0	294	0	0	0
Design fees		0	0	0	581	0	0	0
DILWORTH - Truck Station Addition		0	0	0	430	0	0	0
FORT RIPLEY - Rest Area		0	0	0	280	0	0	0
HALLOCK - Truck Station addition		0	0	0	160	0	0	0
Land Acquisition		0	0	0	500	0	0	0
MADELLA - Truck Station		0	0	0	410	0	0	0
MAPLE GROVE - Truck Station Addition		0	0	0	1,500	0	0	0
PIPESTONE - Truck Station		0	0	0	500	0	0	0
Pole Type Storage Buildings		0	0	0	485	0	0	0
RIDGEWAY - Weigh Scale		0	0	0	800	0	0	0
ST. CLOUD - Headquarters Addition		0	0	0	6,515	0	0	0
THIEF RIVER FALLS - Government Center		0	0	0	4,337	0	0	0
Rail Service improvements		0	0	5,500	4,500	0	0	0
		Agency Totals	\$92,897	\$89,000	\$85,502	\$38,077	\$10,000	\$10,000

University of Minnesota

Health and Safety CAPRA	1	700	20,000	20,000	20,000	15,000	15,000	15,000
Assessments	5	700	1,273	200	200	1,273	0	0
Facility Renewal	2	285	20,000	20,000	20,000	20,000	0	0
Carlson School of Management	4	227	25,000	0	0	25,000	0	0

Appendix C
(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

University of Minnesota

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IT/Mechanical Engineering Building		225	0	19,712	0	13,712	0	0
Archival Research Facility	3	185	47,841	0	0	2,700	38,436	0
Information Services Planning		155	0	0	0	1,000	0	0
IT/Architecture Bldg Renovation		150	0	22,463	0	22,463	0	0
Recreational Sports Phase 1C		0	0	13,049	0	0	0	0
Agricultural Experiment Stations		0	0	4,544	4,322	0	0	0
UMD Medical School addition		0	0	3,203	0	0	0	0
Animal Science Facilities		0	0	6,264	0	0	0	0
Walter Library renovation		0	0	0	38,047	0	2,300	35,700
Sciences Classroom renovation/addition		0	0	0	17,700	0	0	0
Law School addition		0	0	0	6,700	0	0	0
Studio Arts renovation		0	0	0	6,000	0	0	0
Haecker/Peters renovation		0	0	0	4,800	0	0	0
School of Social Work		0	0	0	2,700	0	0	0
Health Service renovation		0	0	0	2,345	0	0	0
Kaufert Lab addition		0	0	0	2,000	0	0	0
Entomology & Horticulture Greenhouse		0	0	0	2,500	0	0	0
Agriculture Engineering renovation		0	0	0	5,000	0	0	0
Machine Storage Facility		0	0	0	1,234	0	0	0
Central chiller loop system		0	0	0	5,000	0	0	0
UMC Ag. Research Center addition		0	0	0	240	0	0	0
UMC Kiehle Child Development addition		0	0	0	1,500	0	0	0
UMC Learning Resource Center renovation		0	0	0	100	0	0	0

Appendix C
(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

University of Minnesota

UMD Academic Space renovation		0	0	0	2,000	0	0	0
UMD Library construction & renovation		0	0	0	20,000	0	0	0
UMD Music Recital Hall		0	0	0	5,500	0	0	0
UMD Business & Economic addition		0	0	0	4,300	0	0	0
UMD Plant Services building		0	0	0	2,000	0	0	0
UMD Heating Plant renovation		0	0	0	5,900	0	0	0
UMD Chemistry Classroom renovation		0	0	0	850	0	0	0
UMM Science Classroom & Heating Plant		0	0	0	18,900	0	0	0
UMM Classroom/Office & Social Science		0	0	0	14,750	0	0	0
UMM Humanities renovation		0	0	0	1,200	0	0	0
Earth Sciences/Materials Engineering		0	0	0	55,239	0	0	0
Agency Totals			\$114,114	\$109,435	\$271,027	\$101,148	\$55,736	\$50,700

Veterans Home Board

MINNEAPOLIS - Campus renovation	1	321	10,630	0	0	10,630	0	0
SILVER BAY - Multi Purpose Addition	2	150	398	0	0	0	0	0
Agency Totals			\$11,028	\$0	\$0	\$10,630	\$0	\$0

Appendix C
(\$ in Thousands)

Project Description	Agency Priority	Strategic Score	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
			FY 94	FY 96	FY 98	FY 94	FY 96	FY 98

Water & Soil Resources Board

Area II Minnesota River Basin	3	269	1,900	2,300	2,450	1,900	1,000	1,000
Reinvest in Minnesota Reserve	1	255	14,240	20,049	18,010	10,000	10,000	10,000
Abandoned well sealing	4	195	250	250	250	0	0	0
Erosion Control Cost - Share	2	180	1,200	1,500	1,200	0	0	0
Permanent Wetland Preserves	5	170	5,530	3,960	1,190	2,000	2,500	2,500
Agency Totals			\$23,120	\$28,059	\$23,100	\$13,900	\$13,500	\$13,500

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Zoological Garden

Marine Education Center	1	370	20,500	0	0	20,500	0	0
Animal management	3	215	411	0	0	211	0	0
Water management	2	210	1,250	0	0	0	0	0
Roadways and pathways	4	195	3,650	0	0	0	0	0
Bird Holding facilities	5	195	2,091	0	0	0	0	0
Perimeter fencing		0	0	200	0	0	0	0
Parking lot expansion		0	0	6,100	0	0	0	0
Greenhouse		0	0	0	269	0	0	0
Administrative Building		0	0	0	3,000	0	0	0
Agency Totals			\$27,902	\$6,300	\$3,269	\$20,711	\$0	\$0

Grand Totals	1,238,209	1,162,930	\$962,479	648,226	407,459	\$33,309
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Appendix C
(\$ in Thousands)

STATE OF MINNESOTA
FY 1994 - 1999
Capital Budget Requests

Appendix D

Governor's Recommendations
(Rank Ordered By Strategic Score)

Agency	Project Description	Strategic Score	Agency Request FY 94	Governor's Recommendations FY 94
Higher Education Board	Higher Education CAPRA	700	0	29,000
Corrections	MOOSE LAKE - Complete conversion	700	20,520	20,520
Pollution Control Agency	Combined sewer overflow	700	20,076	20,076
Administration	Statewide CAPRA	700	25,000	18,750
Administration	Statewide (ADA)	700	50,000	15,000
University of Minnesota	Health and Safety CAPRA	700	20,000	15,000
Administration	Renovate Transportation phase III	700	13,416	13,416
Transportation	Bloomington Ferry Bridge	700	13,392	13,392
Education (K-12 Aids)	Maximum Effort School loan - Nett Lake	700	2,967	2,967
Corrections	RED WING - Construct Juvenile Security Cottage	700	2,808	2,808
Corrections	ST. CLOUD - Relocate/Renovate Visiting Room	700	2,316	2,316
University of Minnesota	Assessments	700	1,273	1,273
Corrections	Install 3 new generators	700	1,245	1,245
Administration	Agency relocation	700	1,167	1,167
Natural Resources	Underground storage tank removal & replacement	700	1,097	1,097
Residential Academies	Demolish Dow Hall & Old Industry Bldg.	700	1,096	1,096
Higher Education Board	MANKATO - Fire Protection	700	0	660
Natural Resources	Well sealing & inventory on DNR lands	700	500	500

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Appendix D
(\$ in Thousands)

Agency	Project Description	Strategic Score	Agency Request FY 94	Governor's Recommendations FY 94
Transportation	Fire sprinkler installation	700	365	365
Human Services	Demolish Building #30 - MLRTC	700	225	225
Transportation	Asbestos removal	700	150	150
Administration	State History Center, taxes	700	126	126
Human Services	Purchase Homes for State-Operated Waiver Services	395	8,835	8,835
Natural Resources	Flood Hazard Mitigation grants	376	2,949	2,350
Zoological Garden	Marine Education Center	370	20,500	20,500
Natural Resources	Dam repair/reconstruction/removal	348	4,350	3,650
Public Service	Energy Investment Loans	330	6,650	4,000
Veterans Home Board	MINNEAPOLIS - Campus renovation	321	10,630	10,630
Housing Finance Agency	Publicly Owned Transitional Housing	307	2,000	2,000
Trade and Economic Development	State match to SRF	306	14,740	14,740
Corrections	Inmate bed expansion	305	25,444	24,804
Natural Resources	Office Facility Consolidation	305	10,410	6,360
Historical Society	Historic Site Preservation and Repair	305	2,741	2,050
Natural Resources	Statewide Deferred Renewal	305	2,500	1,900
Natural Resources	State Park betterment and rehabilitation	305	2,850	1,500
Natural Resources	Trail rehabilitation and adaption	305	965	965
Historical Society	Historic Site Permanent Exhibit Repair & Replacement	305	1,273	950
University of Minnesota	Facility Renewal	285	20,000	20,000
Capital Area Arch. Plan Board	Capitol Building exterior restoration/renovation	285	7,000	5,485
Transportation	MAPLEWOOD - Truck Station	285	5,440	5,440
Corrections	STILLWATER - Renovation C Annex	285	5,148	5,148
Natural Resources	State Park building rehabilitation	285	4,350	3,000
Higher Education Board	ST. CLOUD - New Boiler Construction	285	0	2,100
Residential Academies	Renovate Noyes Hall East Wing	285	1,588	1,588
Transportation	Chemical Storage Buildings	285	1,030	1,030

Appendix D
(\$ in Thousands)

Agency	Project Description	Strategic Score	Agency Request FY 94	Governor's Recommendations FY 94
Transportation	HUTCHINSON - Truck Station	285	897	897
Transportation	ALBERT LEA - Weigh Scale	285	886	886
Natural Resources	Forestry recreation facility rehabilitation	285	606	606
Historical Society	Statewide I.S.T.E.A. Preservation Projects	280	1,000	1,000
Center for Arts Education	Dorm renovation for boys	280	712	712
Historical Society	County and Local Preservation Projects	280	500	500
Water & Soil Resources Board	Area II Minnesota River Basin	269	1,900	1,900
Human Services	Construct Res., Prgm., & Ancillary Serv. Fac. - AMRTC	265	38,425	38,425
Transportation	GOLDEN VALLEY - Equipment Storage	265	435	435
Transportation	TRACY - Truck Station	265	359	359
Transportation	DETROIT LAKES - Welding Shop	265	355	355
Transportation	Crew Room Additions	265	302	302
Transportation	Local Road Bridge replacement	260	60,000	10,000
Corrections	STILLWATER - Master Control Center/Perimeter Security	260	1,505	1,505
Center for Arts Education	Dorm renovation to Rec Center	260	789	789
Trade and Economic Development	State match for Drinking Water	256	17,200	4,000
Water & Soil Resources Board	Reinvest in Minnesota Reserve	255	14,240	10,000
Natural Resources	Forestry roads and bridges	255	1,034	750
Jobs and Training	Head Start Facility Grants	250	2,000	2,000
Amateur Sports Commission	U of M - Women's Sport Pavillion	245	1,055	1,055
Transportation	WADENA - Truck Station	245	527	527
Transportation	PRESTON - Truck Station	245	174	174
Pollution Control Agency	Solid Waste Capital Assistance Program	244	11,475	7,500
Natural Resources	Metropolitan Council Regional Parks CIP	240	23,570	7,500
Natural Resources	RIM - Wild, SNA, & Prairie B dev/hab imp	240	6,685	3,200
Corrections	STILLWATER - Renovate/Expand Industry buildings	240	1,721	1,721
Amateur Sports Commission	ROSEVILLE - Speedskating Oval	240	500	500

Appendix D

(\$ in Thousands)

Agency	Project Description	Strategic Score	Agency Request FY 94	Governor's Recommendations FY 94
Administration	Capitol Area elevator renovation	235	650	650
Administration	New Health Building	230	2,130	400
Military Affairs	Renovate 30 facilities kitchens (10 per bienium)	230	366	366
University of Minnesota	Carlson School of Management	227	25,000	25,000
University of Minnesota	IT/Mechanical Engineering Building Reconstruction	225	0	13,712
Transportation	Pole Type Storage Buildings	225	611	611
Transportation	CARLTON - Truck Station	225	259	259
Transportation	SAUK CENTER - Truck Station Addition	225	255	255
Natural Resources	RIM - Wildlife & Natural Area land acquisition	221	15,800	6,300
Pollution Control Agency	Closed landfill cleanup	220	36,000	20,000
Corrections	FARIBAULT - Rehab Education Bldg	220	832	832
Zoological Garden	Animal management	215	411	211
Education (K-12 Aids)	Maximum Effort School loan - Big Lake	212	9,770	9,770
Transportation	Federal Aid Demonstration Projects	212	3,639	1,819
Natural Resources	Residential Env. Learning Ctr. Grants	210	7,500	7,500
Natural Resources	State Park building development	210	7,300	2,460
Natural Resources	RIM - Fish & Wildlife Fisheries improvement	210	1,228	600
Corrections	STILLWATER - Construct Health Services Center	210	9,853	590
Administration	New Military Affairs Facility	210	20,906	100
Higher Education Board	High Priority Construction	201	0	70,000
Natural Resources	Local Recreation grants	200	7,000	1,000
Administration	Electric utility infrastructure	200	600	600
Natural Resources	St. Louis River land acquisition	198	3,400	4,400
Natural Resources	Trail acquisition development and betterment	190	7,778	4,783
Administration	New Public Safety Facility	190	600	600
Natural Resources	Fish & Wildlife Fish Culture rehabilitation	190	1,402	600
Natural Resources	RIM - Fish & Wildlife Fisheries acquisition	190	350	250

Appendix D

(\$ in Thousands)

Agency	Project Description	Strategic Score	Agency Request FY 94	Governor's Recommendations FY 94
Transportation	Land acquisition	190	250	250
Transportation	Class II Rest Areas	190	200	200
Administration	New Support Service Building	190	17,725	100
University of Minnesota	Archival Research Facility	185	47,841	2,700
Natural Resources	Forestry Air Tanker Facilities	181	718	718
Corrections	THISTLEDEW - Educational Building	180	1,542	527
Natural Resources	Lake Superior Safe Harbors	176	8,532	6,400
Natural Resources	State Park acquisition	170	10,000	4,000
Water & Soil Resources Board	Permanent Wetland Preserves	170	5,530	2,000
Natural Resources	Forestry land acquisition	170	3,150	1,100
Natural Resources	Hibbing Drill Core Library/Reclamation Facility	170	650	650
Administration	Grant: Lake Superior Center Authority	162	8,000	8,000
Human Services	Metro Area Pre-Discharge Programs	160	1,632	1,632
Higher Education Board	General Facility Planning	155	0	1,500
Higher Education Board	Information Services Planning	155	0	1,000
University of Minnesota	Information Services Planning	155	0	1,000
University of Minnesota	IT/Architecture Bldg Renovation	150	0	22,463
Administration	New Education facility	150	1,270	250
Amateur Sports Commission	National Sports Center parking expansion	150	119	119
Natural Resources	Laq Qui Parle WMA Office & Hunter Station	135	540	540
Pollution Control Agency	Water Quality Monitoring System	130	200	200
Transportation	Design fees	125	371	371
Natural Resources	International Wolf Center	110	966	966
Administration	Constitutional Officers to State Capitol	80	0	100
Corrections	Regional Juvenile Centers	70	10,000	10,000
Grand Totals			\$810,860	\$648,226

Appendix D
(\$ in Thousands)

**APPENDIX E
CANCELLATION OF PROJECT CASH BALANCES**

Legal Citation					Amount Cancelled
Yr	Chapter	Agency	APID Description	AID Description	
CANCELLATIONS TO DEBT SERVICE FUND:					
84	59700	Admin	84 DNR Bldg Funds	Bemidji Reg. Consol.	16,512.00
84	59700	Admin	84 Comm College Bldg Funds	ARCC Improve	3.00
84	59700	Admin	84 Comm College Bldg Funds	Mpls CC Const.	734.30
84	59700	Admin	Bldg Fund Contingency	84 Cap Square	100.00
85	S01500	Admin	Admin	Rem Asbest Cap Bsmt	100.00
MS	41.61	Agriculture	Bond Principal Balance	Family Farm Services	750,000.00
83	34401	CAAPB	Admin Bldg Funds	Capitol Complex Landscape	1,076.54
84	59700	CAAPB	84 Judicial Bldg Design	Unallotted	1,055.28
84	59700	Finance	Bond Sale Expense 1984	Unallotted	100,306.03
85	S01500	Finance	Bond Sale Expense X 1985	Unallotted	85,422.89
81	30404	DNR	Acq MN Valley Trail	Acq. MN Valley Trail	14,557.40
84	59700	DNR	Winger Dam	Winger Dam	2,000,000.00
85	S01504	DNR	Better State Trails	Root River	11,706.21
85	S01504	DNR	Better State Trails	Root River	71.56
85	S01504	DNR	Better State Trails	Root River	9,151.39
85	S01504	DNR	Better State Trails	Unallotted	0.12
85	S01504	DNR	Acq Outdoor Rec	Afton	50.00
84	59700	State U's	SUB Cap Impr Proj	Sattgast Equip BSU	9.86
84	59700	State U's	SUB Cap Impr Proj	Sattgast Equip BSU	170.52
84	59700	State U's	SUB Cap Impr Proj	Nemzek Hall Eq-MSU	620.05
78	79200	U/M	St. Paul Campus	St. Anthony Sewer Assessment	64,503.00
84	59700	U/M	Minneapolis Campus	Convert Primary Electric	31,739.00
84	59700	U/M	St. Paul Campus	Convert Primary Electric/AC	15,216.00
85	S01500	U/M	Minneapolis Campus	Construct EE/CS Bldg.	18,189.00

Legal Citation					Amount Cancelled
Yr	Chapter	Agency	APID Description	AID Description	
85	S01500	U/M	Waseca Campus	Ring Road	8,462.00
80	56412	Waste Mgmt	Haz Waste Siting	Unallotted	483,001.18
SUBTOTAL					<u>3,612,757.33</u>
CANCELLATIONS TO GENERAL FUND:					
89	30000	Admin	Admin-General Fund	State Cap-Rmd/Relocate Senate	25,807.12
85	S01503	Admin	Admin-General Fund	Relocate PCA & Wst Mgmt	2,363.50
87	40000	Admin	Admin-General Fund	Comm College Move	12,776.69
87	40000	Admin	Admin-General Fund	Education Move	13,500.00
87	4000	Admin	Admin-General Fund	Higher Ed Move	4,900.00
87	4000	Admin	Admin-General Fund	Voc Tech Ed Move	24,167.26
88	68606	Admin	Rent Differential-DHS	88 DHS Move Consolidate	2,576.74
89	30000	Admin	Admin-General Fund	Relocate Dept Commerce	132,225.76
SUBTOTAL					<u>218,317.07</u>
CANCELLATIONS TO TRUNK HIGHWAY FUND:					
89	26905	Public Safety	Prior Yr Cert Enc. Radio	Certified Enc FY 91 Radio	33,003.73
SUBTOTAL					<u>33,003.73</u>
TOTAL PROJECT CASH BALANCES					<u>3,864,078.13</u>

**APPENDIX F
CANCELLATION OF PROJECT BOND AUTHORIZATIONS**

Legal Citation					Amount Cancelled
Yr	Chapter	Agency	APID Description	AID Description	
CANCELLATIONS TO DEBT SERVICE FUND:					
80	56412	Waste Mgmt	Haz Waste Siting	Unallotted	2,500,000.00
SUBTOTAL					<u>2,500,000.00</u>
87	40000	Admin	Corrections	MCF Sullivan	986.52
87	40000	Admin	Community Colleges	Willmar C.C.	2.28
87	40000	Admin	Admin	Hdcp Access Historical Soc.	1,915.84
87	40000	Admin	Ctr For The Arts	Ctr for Arts Plan & Prepare	4,610.79
87	40000	Admin	Human Svcs Bldg. Fund	Cambridge TRC Imp Cott 5	714,061.00
87	40000	Admin	Admin	Rem Cap Square	15,291.43
87	40000	Admin	Corrections	MCF STW Windows	2,685.67
87	40000	Admin	Admin	Cap Bldg. Restor.	8,618.30
87	40000	Admin	Community Colleges	Hibbing C.C.	697.12
87	40000	Admin	Admin	Demolish Mech Arts	3,211.61
87	40000	Admin	Admin	SOB Ramp	9,700.00
87	40000	Finance	Bond Sale Expense 1987	Unallotted	160,362.76
87	40000	Hse/Rep	House of Rep Bldg. Proj.	House of Rep Bldg Proj	3,497.72
87	40000	DNR	Acq State Parks	Acq State Parks	47.37
87	40000	DNR	Betterment State Parks	Better State Parks	449.80
87	40000	DNR	Betterment State Parks	Maplewood	0.37
87	40000	DNR	Betterment State Parks	Park Betterment St. Croix	1.93
87	40000	DNR	Betterment State Parks	Park Betterment St. Croix	21.15
87	40000	DNR	Betterment State Parks	Park Betterment Frontenac	107.97
87	40000	DNR	Betterment State Parks	Park Betterment Frontenac	808.39
87	40000	DNR	Betterment State Parks	Park Betterment Afton	26.88
87	40000	DNR	Betterment State Parks	Park Betterment Afton	5.16
87	40000	DNR	Betterment State Trails	MN Valley Park	500.00
87	40000	DNR	Betterment State Trails	Tim Corey	1,059.39

Legal Citation					Amount Cancelled
Yr	Chapter	Agency	APID Description	AID Description	
87	40000	DNR	Betterment State Trails	Golden Anniversary	755.00
87	40000	DNR	Betterment State Trails	Munger	1.00
87	40000	DNR	Betterment State Trails	Munger	344.62
87	40000	DNR	Betterment State Trails	Root River	268.56
87	40000	DNR	Betterment State Trails	Root River	1,271.99
87	40000	DNR	Betterment State Trails	Root River	584.62
87	40000	DNR	Betterment State Trails	Root River	8,501.91
87	40000	DNR	Betterment State Trails	Fort Snelling	2,904.90
87	40000	DNR	Betterment State Trails	Fort Snelling	1,525.64
87	40000	DNR	Betterment State Trails	Fort Snelling	6,605.76
87	40000	State U's	SUB Cap Impr Proj	FIT/Rec Equip--Bemidji	17.24
87	40000	State U's	SUB Cap Impr Proj	Winona Land Purchase	5,328.61
87	40000	Tech Coll	Construction 87	Construction 87 -- Roof Repairs	0.39
87	40008	DTED	87 Bonding Funds	City of Blaine Athletics	215.00
87	40000	U/M	Waseca Campus	Renovate Ag Labs	7,439.00
SUBTOTAL					<u>964,433.69</u>
89	30000	Admin	Community Colleges	Hibbing C.C.	0.75
89	30000	Admin	Community Colleges	Lakewood C.C.	202.15
89	30000	Admin	Human Services	CRHSC SNF-Planning	92.11
89	30000	Admin	Human Services	A-MRTC Recap-Planning	7.47
89	30000	Admin	Community Colleges	Normandale C.C.	186.97
89	30000	Admin	Admin	State Cap-Rmdl Hse Space	100.00
89	30000	Admin	Human Services	FFRTC-Recap-Planning	4,050.00
89	30000	Admin	Human Services	RTC-Renovate	303.00
89	30000	Admin	Vets Homes Board	Mpls Vets Hm-Demolish Bldg 5	1,095.28
89	30000	Admin	Corrections	MCF-Shakopee Demolish	5,684.51
89	30000	Admin	Human Services	FFRTC SNF-Remodel	9.05
89	30000	Admin	Human Services	SOCS	17,017.69
89	30000	Admin	Admin	Unallotted	391,599.34
89	30000	Finance	Bond Sale Expense 1989	Unallotted	22,225.31

Legal Citation					Amount Cancelled
Yr	Chapter	Agency	APID Description	AID Description	
89	30000	DNR	Chem Stor/Hib Air	Chem Storage Bldg.	20.00
89	30000	DNR	Chem Stor/Hibb Air	Hibbing Airport	9,261.11
89	30000	Tech Coll	Construction 89	Construction 89 - Planning	14,790.68
89	30000	DTED	89 Bonding Funds	Natl Shoot Sprts Ctr	209,235.03
89	30000	U/M	Waseca Campus	Food Svc & Campus Ctr	221,952.00
SUBTOTAL					<u>897,832.45</u>
90	61000	Admin	Human Services	90 HS Base Rmdl RTCs/SNF	5,900,805.32
90	61000	Admin	Human Services	90 HS Base Rmdl FFRTCs/SNF	3,006,097.00
90	61000	Admin	Human Services	90 HS Base Rmdl CRTCs/SNF	9,692.50
90	61000	Admin	Human Services	Unallotted	91,075.00
90	61000	Admin	DNR	Lac Qui Parle Visitors Ctr	80,776.99
90	61000	Finance	Bond Sale Expense 1989	Unallotted	116,145.58
90	61000	Hist. Soc.	RedLake Tribal Info Ctr	Red Lk Trib Ctr 1990 Sess	300,000.00
90	61000	IRRRB	Shooting Sports Construction	Shooting Sport Construction	2,500,000.00
90	61000	Tech Coll	90 Alexandria TC	90 Constr-Alex TC	0.10
90	61000	Tech Coll	90 Willmar TC	90 Constr-Willmar TC	0.05
90	61000	Tech Coll	90 Thief River Falls TC	90 Constr-TRF TC	0.49
90	61000	Tech Coll	90 Anoka TC	90 Constr-Anoka TC	6.97
90	61000	Tech Coll	90 Winona TC	90 Constr-Winona TC	400.00
SUBTOTAL					<u>12,005,000.00</u>
92	55800	Finance	Bond Sale Expense 1992	Unallotted	65,000.00
SUBTOTAL					<u>65,000.00</u>
93	37300	Finance	Bond Sale Expense 1993	Unallotted	15,000.00
SUBTOTAL					<u>15,000.00</u>
TOTAL PROJECT CASH BALANCE					16,447,266.14

APPENDIX G QUALIFICATION AND STRATEGIC SCORING

Each capital budget request which sought cash or bonding authority from the 1994 legislature was qualified and scored by a team of staff from the Departments of Finance (DOF) and Administration (Admin). The criteria for qualification and scoring were published in the capital budget manual which was distributed to all agencies and institutions requesting capital funds. This is the first capital budget to incorporate qualification and scoring. Thus, both concepts warrant particular attention.

QUALIFICATION

Qualification was designed to assess the completeness and coherence of an agency request in a variety of areas. Admin and DOF sought to assist each agency request in achieving qualification, whenever possible. Standard criteria applied objectively was used to assess the adequacy of project information supplied to DOF and Admin.

Review requirements included: all applicable forms completed, development of an agency strategic planning context, presentation of a logical rationale for the request, project linkage to the agency strategic plan, estimation of operating cost impacts, provision of facility audit information, implementation of a proper planning and design process, and incorporation of generally-accepted cost planning standards and practices.

Once reviewed for qualification, projects progressed to the scoring stage. Qualification by itself did not earn any points in the strategic score. Since the qualification process is a new concept, it was applied flexibly this time. It will be applied more rigorously in future biennia.

STRATEGIC SCORING

All agency capital budget requests have been assigned a strategic score by the Department of Finance. This score is designed to measure both the overall need for the project and the relative urgency for an immediate appropriation. **The strategic score is not a substitute for the decision making process.** It cannot measure whether education is a higher priority than human services or whether corrections might be higher than environmental protection. It is more useful to rank projects within a program area than to rank the program areas themselves.

The maximum strategic score is 700 points. The maximum score is reserved for projects that have a critical dimension or a prior/legal commitment. Critical projects are those which present a critical life safety hazard, a documented legal liability or an imminent loss of function if the request is not acted upon. Projects received 700 points in this area on a yes/no basis.

An example of a critical life safety hazard might be a roof which has deteriorated to the point where it appears to be in danger of falling. "Critical" is the key concept here. An example of a critical legal liability would be if a local building inspector or fire marshall has issued a citation for corrective action.

Prior commitment means a legislative commitment has already been made on the project and the current request simply implements the commitment. A very narrow definition is used. Examples include specific projects authorized in the 1993 bonding bill in which only a portion of construction funds were provided with the understanding that remaining funds would be awarded in 1994 (e.g., combined sewer overflow, Bloomington Ferry Bridge, Moose Lake Prison, Red Wing Juvenile Facility and Net Lake maximum effort loan). The maximum score of 700 points indicates that the Departments of Finance and Administration consider immediate action on the project request to be essential.

The highest strategic score possible for projects not receiving the maximum 700 points is 490 points. Strategic scoring points are awarded in the areas as follows:

Strategic Scoring Criteria:	Maximum Points
User/Non-State Financing	140
Strategic Linkage	90
Agency Priority (by Quartile)	80
Asset Preservation	75
Customer Services Improved	60
Operating Reductions/Efficiencies	45
Total	490

In the category of user/non-state financing, points were awarded depending on the percentage of user financing, non-state funding or matching funds that were applied against the total project cost. This is intended to provide an incentive for agencies to seek funding from sources other than state funds.

Points awarded for strategic linkage reflect how well the agency articulated its strategic mission and linked its capital budget requests to the strategic plan in a logical manner. Recognizing the importance of agency priorities, points were awarded to projects depending upon which quartile the agency placed requests in its priority list. Points were also given to projects that encouraged asset preservation and reductions to the state's capital iceberg.

Although possible, it not easy for any project to receive a 490 strategic score. Indeed, the highest point total outside the 700 maximum is 395 points. Only 17 projects received a strategic score of 300 points or higher.

Particular attention should be paid to the strategic linkage, agency priority, and customer services which collectively represent a possible 230 points. These categories represent the actual need for the project. The possibility of using non-general fund financing or achieving operating cost savings with a given project is a desirable result but not the foremost measure of a project's need.

The relationship between strategic scores and Governor's recommendations is summarized in the table below.

Strategic Score	Number Requested	Number Recommended	Per Cent Recommended
700 Points	24	24	100%
490-301	17	15	88%
300-201	84	55	65%
200-101	82	30	37%
100 or less	18	2	11%
Totals	228	122	54%

READINESS QUOTIENT

The Readiness Quotient was developed for building projects only to identify the stage in which the project request exists and the degree of information presented which would argue for the project advancing to the next appropriation stage. Building projects typically follow three distinct stages: predesign, design and construction.

The pre-design stage converts a space need established by strategic planning into a specific facility request with estimates of the operational and architectural programs, site alternatives, a project time schedule and project cost. Pre-design work represents less than 1% of the total project cost. Decision makers must have the information produced by the predesign stage to make informed decisions on building project requests.

Design is the project stage converting the predesign estimates into building blueprints with exact plans and specifications, specific cost estimates and specific time schedules. For most large building projects, design costs typically represent between 5-7% of total project costs.

Construction is the final stage in which the design is converted into an actual facility in response to the program need. It commonly represents the bulk of the cost, over 90%.

It is a prerequisite that the capital budget appropriations sequence recognizes these project stages in order to make informed investment decisions. While the bulk of the money is spent at the construction stage, the commitment to spend that money is made in the pre-design and design stages which provide an opportunity for full legislative review.

The Department of Administration has established several criteria to measure the extent to which agency building requests correspond to the appropriate appropriations sequence. The Readiness Quotient is simply the percentage of points received by the request divided by the total points available.

The Readiness Quotient is used in the following manner:

Readiness Quotient Criteria	Maximum Points
Programming	45
Design	45
Cost Planning	45
Facility Audit	30
Alternatives Considered	15
Total	180 points = 100%

If an agency has requested only pre-design money, then the Readiness Quotient is automatically 100% because it is the pre-design stage that produces the information that satisfies the above criteria. Subsequent stages would then be evaluated against the quality of the information presented on a 0-100% basis. **The basic principle is that funding decisions on facility design and construction should not be made until the pre-design information is available and complete.**

The Department of Administration has characterized agency building requests in terms of pre-design, design and construction. In many cases the request is for all three stages. In some instances the Governor recommends the appropriation be divided into stages to correspond to the pre-design, design, and construction sequence. In other instances the need is more urgent and the project cannot be staged without unacceptable construction delay. In these cases the Governor recommends a full appropriation but proposes statutory language to require a pre-design review of the project by the Department of Administration's Division of State Building Construction before design and construction funds are released.

PROTECTING THE ENVIRONMENT-MANAGING OUR NATURAL RESOURCES
(in 000'S)

Agency	Capital Budget Projects	1994 Session	1996 Session	1998 Session
THEME: FLOOD DISASTER RECOVERY				
DNR	Flood Hazard Mitigation Projects	\$2,350	\$2,000	\$2,000
DNR	Dam Reconstruction/Repair/Removal	3,650	3,500	3,500
BWSR	Area II Flood Control	1,900	1,000	1,000
SUBTOTAL		<u>\$7,900</u>	<u>\$6,500</u>	<u>\$6,500</u>
THEME: NATURAL RESOURCE MANAGEMENT				
DNR	State Park Building Rehabilitation	\$3,000	\$3,000	\$3,000
DNR	State Park Betterment Rehabilitation non-building	1,500	2,000	2,000
DNR	Trail Rehabilitation & Adaptation	965	1,000	1,000
DNR	State Park Building Development	2,460	4,000	4,000
DNR	Forestry Recreation Facility Rehabilitation	606	300	300
DNR	Metro Council--Regional Parks CIP	7,500	7,500	7,500
DNR	Local Recreation Grants	1,000	0	0
DNR	Trail Acquisition and Development	4,783	7,500	7,500
DNR	State Park Acquisition	4,000	4,000	4,000
DNR	Lake Superior Harbors	6,400	0	0
BWSR	Permanent Wetland Preserves	2,000	2,500	2,500
BWSR	RIM - Reserve Program	10,000	10,000	10,000
DNR	RIM - Wildlife, SNA, Prairie Bank Habitat	3,200	3,000	3,000
DNR	RIM - Fisheries Improvement	600	500	500
DNR	St. Louis River Land Acquisition	4,400	0	0
DNR	RIM - Wildlife & Natural Area Land Acquisition	6,300	6,500	6,500
DNR	RIM - Wildlife Fisheries Acquisition	250	350	350
DNR	Forestry Land Acquisition	1,100	1,000	1,000
DNR	Forestry Roads & Bridges	750	750	750
SUBTOTAL		<u>\$60,814</u>	<u>\$53,900</u>	<u>\$53,900</u>
THEME:	PROTECTING THE ENVIRONMENT			
DNR	Well Sealing and Inventory on DNR Lands	\$500	\$500	\$500
DNR	Underground Storage Tank Removal/Replacement	1,097	0	0
PCA	Water Quality Monitoring System	200	0	0
PCA	Closed Landfill Cleanup	20,000	30,000	30,000
PCA	Combined Sewer Overflow	20,076	0	0
PCA	Capital Assistance Program	7,500	7,500	7,500
DTED	State Match for Federal SRF	14,740	14,740	14,740
DTED	State Match for Federal Drinking Water Fund	4,000	13,200	13,200
SUBTOTAL		<u>\$68,113</u>	<u>\$65,940</u>	<u>\$65,940</u>
THEME TOTALS		\$136,827	\$126,340	\$126,340

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Minnesota. Governor.
Minnesota strategic capital
budget plan

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