

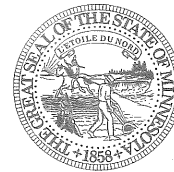
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1996 - 2001

*Minnesota Strategic  
Capital Budget Plan*

*Executive Summary*

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Exec.  
Summ.

Presented by Governor Arne H. Carlson to the 79<sup>th</sup> Legislature



### *On the Cover*

*The Quadriga  
("Golden Horses") is a  
copper statuary with  
gilded gold leaf which was  
installed on the Capitol  
roof in 1907.*

*It is an allegorical  
representation of "the  
Progress of the State." The  
man on the chariot holds  
a cornucopia in his right  
hand, a standard bearing  
the word "Minnesota" in  
his left. Female figures  
leading the horses are  
classical figures  
representing civilization,  
agriculture and industry.*

*Photo by  
Cynthia N. Hackett*

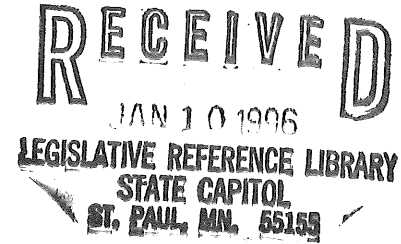


# STATE OF MINNESOTA

OFFICE OF THE GOVERNOR  
130 STATE CAPITOL  
SAINT PAUL 55155

ARNE H. CARLSON  
GOVERNOR

January 1996



TO THE PEOPLE OF MINNESOTA AND THEIR 1996 LEGISLATURE:

We are pleased to submit our 1996-2001 Strategic Capital Budget Plan and agency capital project requests. Based on agency strategic planning information and project requests, we have prepared 1996 recommendations with 1998-2001 budget planning estimates. The 1996 capital budget includes \$588 million in projects, with \$482 million to be financed with general obligation bonds.

This capital budget fulfills the state's commitment to thoughtful, comprehensive six-year planning. Our proposed budget remains within the state's three percent debt service guideline for the entire 1996-2001 planning period and finances the state's most important capital needs today, while preserving adequate outyear bonding and debt capacity for the coming six years.

The 1996-2001 Strategic Capital Budget Plan contains significant investments in public facilities needed to provide essential state programs and services. In addition, it recommends major new initiatives in economic development, protection of our environment, and education of our children. Our recommendations also create a safer Minnesota by directing urgently needed resources to the criminal justice system to effectively manage rapidly increasing inmate populations.

The project data contained in agency requests sets a new standard for the quality and quantity of information supplied to the Legislature. We are certain that you will find the project data and recommendations useful as you begin deliberations on the competing uses for the state's limited financing capacity.

We look forward to working cooperatively with the Legislature as we pursue capital budget reform initiatives important to all the citizens of Minnesota.

Warmest regards,

ARNE H. CARLSON  
Governor

JOANNE E. BENSON  
Lieutenant Governor





## CONTENTS

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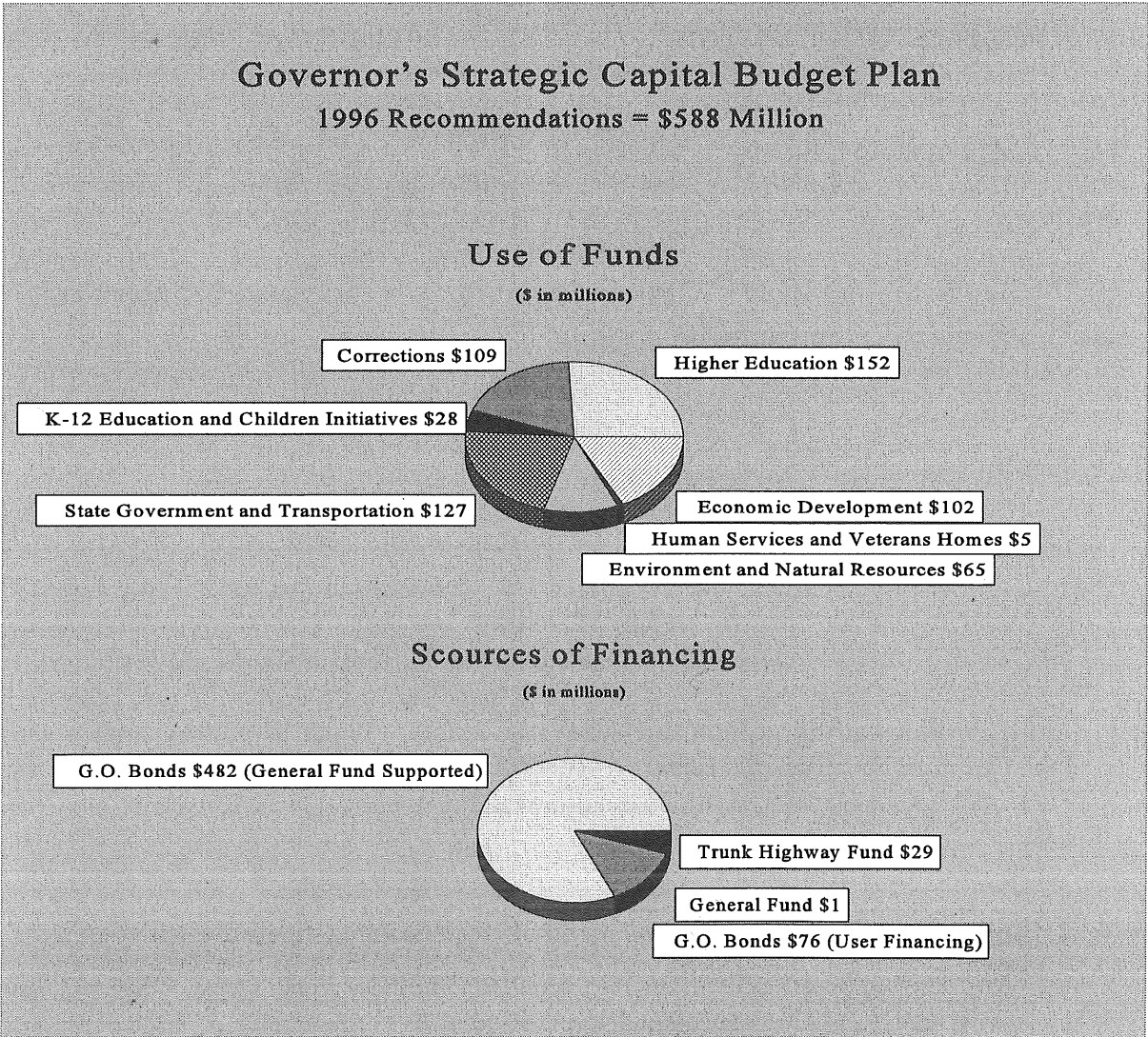
	<u>Page</u>
Highlights: Strategic Capital Budget Plan .....	1
Continuing Capital Budget Reform .....	5
Education and Children .....	9
Economic Development and Job Creation .....	13
Environment and Natural Resources .....	15
Correctional Facilities .....	23
Human Services and Veterans Homes .....	27
State Government and Transportation .....	29
Asset Preservation .....	31
Capital Budget Financing .....	35
Appendices .....	39



## HIGHLIGHTS: STRATEGIC CAPITAL BUDGET PLAN

### ■ Bond Authorizations Preserve Long-term Capacity

The Governor's 1996-2001 Strategic Capital Budget Plan includes a six-year debt planning guideline to ensure level, predictable state investment capacity. The Governor's 1996 recommendations are within the 3% debt service guideline in order to preserve flexibility over the six year period. The Governor recommends a 1996 capital budget of \$588. This will be financed through the sale of \$558 million of general obligation bonds. Of the proposed bonding \$482 million will be supported by general fund debt service and \$76 million will be paid by user-financing. Of the non-bonded portion, the trunk highway fund will provide \$30 million cash financing and the general fund slightly less than \$1 million. This will allow planned general obligation bonding of \$500 million in 1998 and \$500 million in 2000, all within the state's 3% debt service guideline.



## 1996 Capital Budget Executive Summary

### ■ Long-Range Strategic Planning

All executive branch agencies completed strategic capital plans with prioritized project requests. The plans identify agency capital investment needs for the next six years based on agency missions, estimates of service demands, and asset preservation requirements. The Governor's 1996-2001 Strategic Capital Budget Plan includes recommendations for the 1996 session and capital project planning estimates for the 1998 and 2000 biennia.

Governor's Strategic Capital Budget Plan (\$ in millions)			
	1996-97	1998-99	2000-2001
K-12 Education and Children Initiatives	\$ 28.2	\$ 6.3	\$ 4.0
Higher Education	151.8	48.0	48.0
Economic Development	101.8	13.0	13.0
Environment and Natural Resources	65.1	56.4	52.4
Corrections	109.3	31.0	2.0
Human Services and Veterans Homes	4.9	6.7	2.0
State Government and Transportation	<u>127.0</u>	<u>196.2</u>	<u>43.8</u>
Total	\$ 588.0	\$ 357.7	\$ 165.3

### ■ K-12 Education and Children Initiatives

The Governor's recommendations for elementary and secondary education reflect a commitment to maximizing community resources to provide school-age children with safe and productive learning environments. Capital recommendations in this area include \$20 million for youth enrichment capital grants, \$2 million for high priority projects at Faribault Academies, \$3 million in grants to school districts and libraries for accessibility improvements, \$1 million for asset preservation and dormitory upgrades at the Center for Arts Education in Golden Valley, and \$2 million for Head Start grants. Youth enrichment grants are for construction, renovation, and repair of school and recreation facilities to provide youth in grades 4-8 with academic, vocational, cultural and recreational activities during non-school hours.

### ■ Higher Education

The Governor recommends \$152 million for capital projects at the University of Minnesota and the Minnesota State Colleges and Universities (MnSCU). This includes \$42 million for asset preservation at higher education institutions to address life safety and code deficiencies.



For the University of Minnesota the Governor proposes \$6 million to renew obsolete classrooms including classroom facilities of the Academic Health Center, \$43 million for construction of the Minnesota Library Access Center, \$21 million to renovate and expand the School of Architecture building, and \$6.5 million to construct and remodel medical research facilities at the University of Minnesota to advance Minnesota's position on the cutting edge of health care research and delivery. The Governor's recommendations for MnSCU include \$29 million to construct a new library at St. Cloud State University and \$24 million for asset preservation.

■ **Economic Development and Job Creation**

To promote state economic development, create jobs and support the Minnesota economy, the Governor recommends \$41 million to the Department of Agriculture to implement the Rural Finance Authority loan participation program. This general obligation bonding will be used for participation on loans to entry-level farmers who will provide full repayment of principal and interest. Also included are Governor's recommendations of \$3 million for port development assistance grants to improve shipping on Minnesota's commercial waterway systems and \$10 million for replacement or rehabilitation of structurally-deficient local bridges. \$33.8 million is recommended for construction of the Science Museum of Minnesota in St. Paul and \$14 million to complete financing for the Lake Superior Center in Duluth.

■ **Environment and Natural Resources**

Environmental recommendations provide \$65 million in 1996. The capital budget builds upon the accomplishments of the 1994 Legislature by presenting the second step of a six-year, inter-agency, inter-jurisdictional strategic plan for environmental protection and resource development. The current six-year plan is based on an appropriation of \$174 million in state bonding with additional funds leveraged from local and federal governments. The major emphasis of the Governor's recommendations includes environmental protection, natural resource development and preservation, outdoor recreation, and preservation of building assets. Efforts will continue in the areas of flood mitigation, pollution control, safe drinking water, solid waste management, rehabilitation and development of parks, trails, and other outdoor recreational areas, and in the Reinvest in Minnesota Program.

■ **Correctional Facilities**

\$109 million is recommended for construction and expansion projects at correctional facilities throughout the state in order to keep pace with the rapidly-growing demand for beds at correctional facilities. This includes \$99.9 million to complete design and construct a new 800-bed close-custody facility, \$1.5 million for modification of the Brainerd Regional Treatment Center to incorporate 300 medium/minimum security beds, \$2.6 million to design a new health services center at the Stillwater correctional facility, \$2.4 million for renovation and security improvements at the St. Cloud correctional facility, and \$842 thousand for site preparation and design of an 80 bed segregation unit at the Lino Lakes correctional facility.

### ■ **Human Services and Veterans Homes**

The Governor's recommendations for the Department of Human Services (DHS) are intended to maintain and improve capital assets held in the regional treatment center (RTC) system, while managing future excess capacity in the RTCs. Recommendations of \$4.1 million include funding for RTC asset preservation, design of the Miller Building renovation at Anoka RTC, improvements to the heating and air conditioning system at the Brainerd Regional Human Service Center, and predesign of program space improvements at Willmar RTC. \$742,000 is recommended for asset preservation and program space improvements to Veterans Homes.

### ■ **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. This plan includes \$5.5 million for phase four of the renovation of the Transportation building in St. Paul, \$4.9 million for design of a new Health building in the Capitol complex, and \$1.85 million for design of a new Revenue facility. Also included are recommendations of \$10.7 million to relocate the Administrative Support Services facility and Travel Management facility to more appropriate sites in order to provide space in the Capitol complex for future Health and Revenue buildings.

### ■ **Transportation**

The Governor's 1996-2001 Strategic Capital Budget Plan contains \$35.5 million for transportation-related projects including \$9 million to replace the Bemidji district headquarters building.

### ■ **Substantial Asset Preservation Funding**

A high priority has been given to increased funding for deferred maintenance needs of the state's facilities. Improving on funding for this area in 1994, a major six-year program is recommended for \$90 million of asset preservation funding in 1996, \$90 million in 1998, and \$89 million in 2000. This commitment will significantly increase the state's capital investment in preserving its infrastructure assets.

## CONTINUING CAPITAL BUDGET REFORM

The F.Y. 1996-2001 Capital Budget extends the reform concepts proposed by the Governor and adopted by the Legislature in 1994. These reforms emphasize that capital investments must be based on six-year strategic planning. The goal of capital budget reform is to make informed investment decisions and to effectively manage resulting assets. Reform initiatives continue to be implemented to achieve these goals.

**Strategic Planning with Better Project Information.** State agencies were asked to define their agency mission and develop comprehensive, strategic capital budget plans which identify project requests over the next six years. The agency capital plans explain the strategic factors driving the need for capital requests. Each project request is linked to the agency mission statement and strategic plan. In addition, request forms have been expanded this year to require additional project cost, schedule and cash flow information, including standard inflation estimates. The Governor's 1996-2001 Strategic Capital Budget Plan includes recommendations and planning estimates for the next six years based on agencies strategic plans.

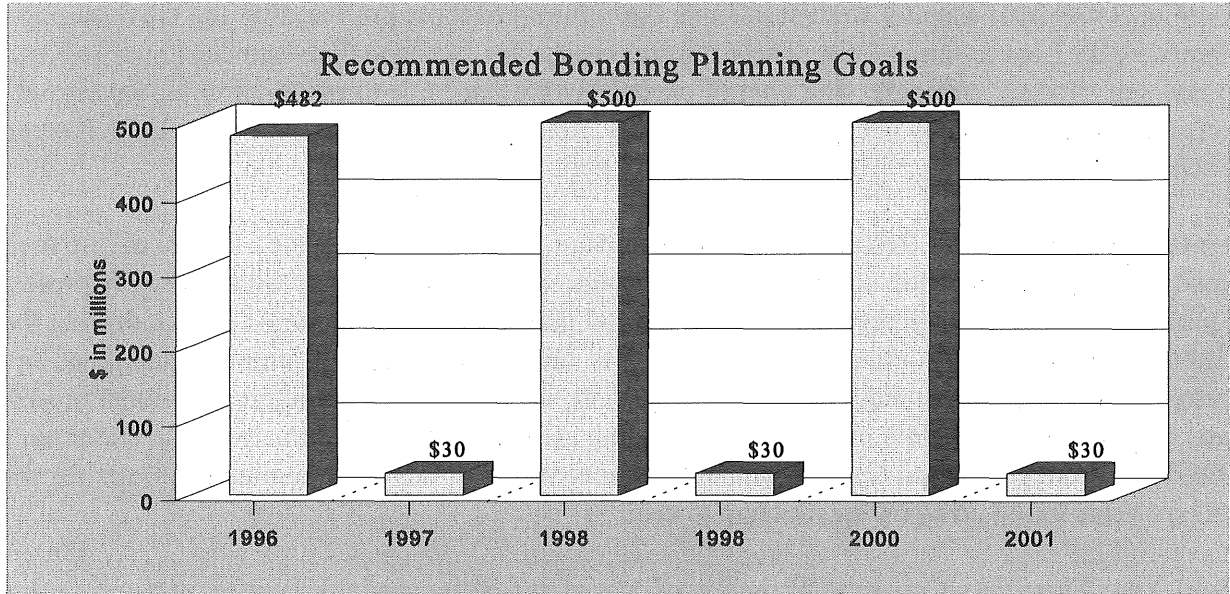
**Multi-Year Financing Capacity.** Estimates of current and future available bonding capacity define the limits for total state capital appropriations. The capital budget is based on a debt capacity model developed by the Department of Finance which forecasts the maximum size of future capital budgets. Assumptions on factors affecting debt capacity are included in the model. Variable factors include the amount of general fund non-dedicated revenues, forecast interest rates on bonds sold and investment earnings, and the amount of bonds required to be sold at different times to meet the cash flow needs of the various capital projects.

In 1994, considerable discussion occurred in the legislature regarding the proper size of current and future capital budgets. In an effort to stabilize capital budgets across multiple biennia and in association with the amount of bonding capacity estimated at that time, the legislature adopted and the Governor approved a capital budget authorizing \$559 million in general obligation bonds. The expectation was that future capital budgets would be sized at an equivalent amount, subject to fluctuations in subsequent capacity forecasts.

**Level Capital Investment Plan Proposed.** The Governor recommends that general fund supported bonding for future capital budgets not exceed \$530 million in any one biennium. This will continue discipline in the process and preserve adequate outyear capacity. This is an amount that is sufficient to cover our most pressing needs -- without mortgaging our future to fund current projects.

## 1996 Capital Budget Executive Summary

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The goal of six-year debt capacity forecasting is to smooth erratic peaks and valleys in bonding bills by providing stable levels of capital investment across multiple biennia. As in the state's operating budget, we must learn to live within our means. By establishing future capital budgets of predictable sizes the state reduces the risk that future changes in model factors will cause large swings in the amount of future capital budgets that may be funded.

State decision makers must recognize that debt capacity and the size of future capital budgets can vary significantly with relatively small changes in one or more of these key variables. For example, the recommended size of the capital budget for the 1998 legislative session is \$500 million. The debt service cost of this capital budget in the F.Y. 1998-99 biennium is \$5.5 million, less than 1% of the total general fund appropriation of \$569.4 million. If increases in interest rates result in additional debt service costs of \$2.75 million, the size of the 1998 capital budget would be reduced by half to \$250 million. If the costs increase by \$5.5 million, no capital budget could be passed and funded by the 1998 Legislature.

**Integration of Capital and Operating Budgets.** Agencies have been asked to identify the operating budget impact of their capital requests over the next six years. Agency strategic planning and identification of long-term needs, in conjunction with a multi-year debt capacity model, creates a rolling six-year plan to guide capital budget decisions. Projects which are not funded in any given biennium are reconsidered and reprioritized during the next capital cycle. Operating costs associated with capital projects enacted in one session can be fully incorporated in the next operating budget cycle.

**Preserving Existing Assets.** A cornerstone of strategic capital budget planning is identifying required investments in *existing* assets. The budget provides for a major six year program to increase project funding for the state's Capital Asset Preservation and Replacement Account (CAPRA), Higher Education Asset Preservation and Repair (HEAPR), federal Americans with Disabilities Act (ADA), and asset preservation projects of major state agencies. This will improve the condition of state facilities and make them accessible to all citizens. The Department of Administration is currently developing an inventory of state buildings and an audit of the condition and suitability of each major facility. This inventory will allow the state to identify and commit necessary resources to our most compelling deferred maintenance needs.

**Project Staging.** Building projects typically follow three distinct stages: pre-design (needs analysis), design and construction. Normally pre-design or design funds should be awarded for a project in one legislative session, with the product of that planning made available for full review by elected officials during a subsequent legislative session. Only at that point should construction funds be awarded. The rationale is to spend a little for pre-design, before spending more for design, before committing a large sum for construction.

The 1996-2001 Strategic Capital Budget Plan is based on the staging concept. Whenever possible, multi-year project staging has been recommended. In some instances, the need is more urgent and the project cannot be staged without an unacceptable construction delay. In these cases the Governor recommends a full appropriation for all three stages but reaffirms the statutory requirement of pre-design review by the Department of Administration and approval of program plans and cost estimates by the appropriate legislative committee chairs before construction funds are released.

### Costs of Capital Project Stages

Pre-Design: Less than 1%

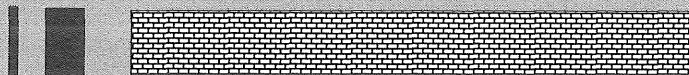
Design: 6 to 9%

Construction: Greater than 90%

Pre-design

Design

Construction



## **1996 Capital Budget Executive Summary**

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Another benefit of project staging is improved cash flow estimates, one of the key variables in determining bonding capacity. Pre-design produces more accurate cost estimates for project review and appropriation, while also developing more reliable project schedules. Better project schedules improve cash flow estimates affecting the timing and size of state bond sales, and avoid incurring on-going debt service that is not needed.

**Outyear Budget Planning Estimates.** The capital budget includes project recommendations for 1996, as well as budget planning estimates for 1998 and 2000. These planning estimates are included to identify outyear costs associated with current project recommendations.

Standard assumptions are used to calculate outyear tails. Projects receiving design funds in 1996 have budget planning estimates shown in the outyears which reflect anticipated construction costs. Pre-design recommendations, however, are considered preliminary and non-binding, and do not include outyear tails. Multi-year capital programs including on-going asset preservation funding, certain environmental programs, and various local grant and loan programs have outyear estimates continuing at recommended 1996 levels unless specific circumstances warrant otherwise.

## EDUCATION AND CHILDREN

### ELEMENTARY AND SECONDARY EDUCATION

The Governor's capital budget recommendations for elementary and secondary education reflect a commitment to maximizing community resources to provide school-aged children with safe and productive learning environments. The Governor also recognizes the need to maintain and improve the state's capital investment in state K-12 education facilities, such as the Residential Academies for the Deaf and Blind in Faribault and the Minnesota Center for Arts Education in Golden Valley. School districts continue to devote considerable funds to maintaining and upgrading their facilities, with the state playing a role through the debt service equalization program and the school credit enhancement program.

Capital budget recommendations for K-12 education include:

- \$20 million for youth enrichment capital grants. These grants would be for construction, repair, and renovation of school and recreation buildings in order to provide youth in grades 4 through 8 with academic, vocational, cultural and recreational activities during non-school hours.
- \$2 million in Head Start facility grants to be allocated statewide.
- \$3 million in grants to school districts and libraries for accessibility improvements.
- \$2.2 million for high priority maintenance and preservation projects at the Faribault Residential Academies.
- \$978,000 to the Minnesota Center for Arts Education in Golden Valley for campus maintenance and dormitory upgrades.

### POST-SECONDARY EDUCATION

The Governor recommends total general obligation bond financing of \$152 million for capital projects at the University of Minnesota and the Minnesota State Colleges and Universities.

The Governor's long-range strategic capital budget plan includes recommendations for construction of a statewide library holding facility at the University of Minnesota and a state-of-the-art library and learning resource center at St. Cloud State University. The Governor also recommends funding for facilities to support high-tech medical research programs at the University of Minnesota, a strategic investment to further medical research and development that will fuel the future growth of the state's health care industry.

## 1996 Capital Budget Executive Summary

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The Governor recommends \$54 million in capital project financing for the Minnesota State Colleges and Universities including:

- \$24 million for Higher Education Asset Preservation and Renewal, to address critical life safety deficiencies and deferred maintenance needs. The Governor recommends that the one-third debt service assessment be waived for these projects.
- \$30 million to construct a new library and learning resource center at St. Cloud State University. Although the library and its collections are a regional resource, because a significant portion of the new facility enhances and expands facilities available to students and faculty the Governor recommends that MnSCU pay one-third of the debt service associated with this project. The Governor's recommendation is contingent upon MnSCU's participation in planning for a new seamless, statewide electronic library catalog system to link collections of libraries throughout the state.

The Governor recommends \$98 million in capital project financing for the University of Minnesota including \$74 million for the following projects included in the University's 1996 capital request:

- \$18 million for Higher Education Asset Preservation and Renewal to address critical life safety deficiencies and deferred maintenance needs. The Governor recommends that the one-third debt service assessment be waived for these projects.
- \$6 million to renew obsolete classrooms on the Twin Cities campus. This includes \$1.5 million targeted specifically to classroom renewal for the University's Academic Health Center. The Governor recommends that the one-third debt service assessment be waived for these facility renewal projects.
- \$43 million for construction of the Minnesota Library Access Center which will serve as an information hub for all libraries throughout the state. The Center will store and maintain less-used books, freeing up shelf space for new collections and reclaiming study space for students. Libraries will retrieve books stored in the Center through the state's MINITEX library information network which will also be located in the facility. The Center will also store the University's several archives and special collections including the Immigration History Research Center, preserving these nationally and internationally significant research materials and making them more accessible to the public. The Governor recommends that the University be assessed one-third of the debt service for this project. This recommendation is similarly contingent upon the university's participation in planning for the statewide electronic catalog system.



- \$6.5 million for remodeling and new construction for the Academic Health Center to support nationally-recognized high-tech medical research programs. Projects include \$3.5 million to construct a new facility for the University's Magnetic Resonance Research Program and \$3 million to remodel space for three new research programs in the areas of Molecular and Cellular Therapeutics. The proposed projects will support nationally recognized high-tech medical research which will advance Minnesota's position on the cutting edge of health care research and delivery. This research will have significant economic impact on the state's health care industry and will enhance health care services available to citizens throughout Minnesota. The Governor recommends that the University be assessed one-third of the debt service for these projects. In addition to these two projects, the Governor recommends up to \$3 million in bond proceeds for pre-design of a transit way between the University hospital and Fairview Riverside Medical Center.

In addition to the projects listed above, the Governor proposes three University initiatives:

- \$21 million to renovate and build an addition to the University's Architecture Building. This project is on the University's 1998 list of capital budget priorities and was included in the Governor's 1994 capital budget. The Governor recommends that the University be assessed for debt service on \$4.2 million of the bonds issued for this project. In addition, the Governor's recommendation anticipates that the University will provide a match of \$4.2 million from private funds.
- The Governor is also recommending \$18.8 million for "Mighty Ducks" grants of the Minnesota Amateur Sports Commission. Of this amount, \$10 million is recommended to construct an Olympic-size ice sheet and tennis facility adjacent to Mariucci Arena on the University's Twin Cities campus. This project will support the University of Minnesota's womens intercollegiate hockey program which will be introduced in 1997. The ice facility will also enhance the statewide development of women's ice hockey by increasing the supply of ice time for amateur sports teams in the metro area, help the Minnesota Amateur Sports Commission in promoting girls and womens ice hockey, and increase Mariucci Arena's attractiveness as a host site for NCAA womens regional and national championship events. The tennis facility will provide on-campus courts for the University's intercollegiate tennis programs which currently practice and play at private facilities off-campus because of the University's lack of adequate indoor tennis facilities.
- \$104,000 to purchase land and a new facility for the Minnesota Poultry Testing Laboratory in Willmar. This facility will serve the poultry industry statewide.

## **1996 Capital Budget Executive Summary**

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## ECONOMIC DEVELOPMENT AND JOB CREATION

Economic development is an important element of the Governor's Strategic Capital Budget Plan. The overall size of the capital budget will provide a positive economic stimulus to the state, particularly to the construction industry and related employment. The Governor recommends the following requests to promote economic development, create jobs and support the Minnesota economy:

- \$41 million to the Department of Agriculture to implement the Rural Finance Authority (RFA) loan participation program.

Production agriculture is a major part of the state's economy. Minnesota is the seventh largest agricultural producer in the United States. Food and agriculture accounts for nearly one-third of all employment in the state and over one quarter of all income in Greater Minnesota. Unfortunately, Minnesota is faced with a declining number of farmers.

One of the major roadblocks facing prospective young farmers is the ability to secure affordable credit. RFA fosters a diverse and viable agricultural industry by purchasing participation in loans made to farmers by agricultural lenders on terms and conditions not otherwise available from other credit sources.

The RFA program was established in 1986 to develop the state's agricultural resources by extending credit on farm real estate security. Providing credit for farmers on favorable terms enhances the financial stability of farmers as well as the businesses which depend on farmers as customers and product suppliers. General obligation bond proceeds are used to purchase loan participation which are priced to provide full interest and principal repayments. Loans are repaid by participating farmers and there is no net long term cost to the general fund for bonds utilized by RFA.

- \$3 million for port development assistance grants to improve shipping on Minnesota's commercial waterway systems.

Many public terminals and docks in the state are in need of repair at costs beyond the means of local agencies. Local port authorities are having difficulty in maintaining an adequate infrastructure for the shipping needs of state agricultural and mining industries. Port and harbor dredging is also becoming more costly because of more stringent environmental regulations. Neighboring states have made substantial financial commitments to public port improvements in recent years and Minnesota must remain competitive.

Financing of port improvements will provide for replacement and improvement of terminal equipment, structures, and access. These improvements will help maintain existing operations, provide opportunities for expansion, improve safety and create employment.

## 1996 Capital Budget Executive Summary

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- \$10 million for replacement and rehabilitation of local bridges.

The commerce of the state and the mobility of the traveling public require maintenance of the state transportation network. Bridges are critical links in the transportation system and financial assistance to local governments is necessary as many structures are too costly for local jurisdictions to fund. The Governor recommends a six year, \$30 million program to improve and replace structurally deficient or functionally obsolete bridges.

- \$33.8 million for construction of the Minnesota Science Museum in St. Paul and \$14 million to complete financing of the Lake Superior Center in Duluth.

The Governor recommends \$33.8 million to match private, local, and federal funds for construction of a new facility for the Science Museum of Minnesota. This project will increase access to high quality science education programs for all Minnesotans and will serve as an anchor in the city of Saint Paul's plans to revitalize its downtown riverfront. The new museum will have 50% more space for educational programs and draw up to 1.5 million visitors per year to Saint Paul. Also recommended is \$14 million as the final state match to complete financing and construction of the Lake Superior Center in Duluth.

- \$90 million for repair and preservation of existing state assets.

As explained more fully in subsequent chapters, the Governor is recommending \$90 million for asset preservation projects of state agencies and higher education institutions to reduce the state's backlog of deferred maintenance. Funding for these projects will be spread throughout the state. Asset preservation has important consequences for local areas where the projects are located. It is also job-smart. Unlike construction of major new facilities in which the majority of project dollars are commonly exported from the local economy for purchase of construction materials, asset preservation projects are more labor intensive with dollars spent and circulated in the immediate community for services of Minnesota tradespeople.

**ENVIRONMENT AND NATURAL RESOURCES**

The Governor's 1996-2001 Strategic Capital Budget Plan invests \$65 million over the next two years and \$174 million during the six-year period to preserve, protect, and enhance our environment and natural resources. These state funds may leverage significant federal funds, dependent upon the continuing budget debate in Washington. Major objectives emphasized in the capital budget plan are environmental protection, management of natural resources, and outdoor recreation and preserving building assets.

The following table summarizes the Governor's capital budget recommendations by policy area. The amounts shown for 1996 are recommended for appropriation by the 1996 legislature. The amounts for 1998 and 2000 are budget planning estimates and require no action this session.

THEME	(\$ in millions)			Total
	1996 Session	1998 Session	2000 Session	
Environmental Protection	\$24.5	\$20.9	\$16.9	\$62.4
Natural Resources	14.9	12.7	12.7	40.4
Outdoor Recreation	14.4	14.4	14.4	43.0
Buildings	<u>11.3</u>	<u>8.4</u>	<u>8.4</u>	<u>28.1</u>
TOTALS	\$65.1	\$56.4	\$52.4	\$173.9

A key concept of the Governor's capital budget is sharing program responsibility among environmental funds, especially the Future Resources Fund and the Environmental Trust Fund administered by the Legislative Commission on Minnesota Resources (LCMR). There is substantial overlap between agency capital budget requests and allocations recommended by the LCMR and adopted by the Legislature in the 1995 session. For example, approximately \$14.8 million was appropriated in 1995 in the operating budget for projects that are indistinguishable from capital budget requests made for natural resource and outdoor recreation projects. In making his recommendations in these areas, the Governor considered these appropriations as well as the potential of partially funding these projects with the projected balance in the environmental funds and with LCMR revenues available to the 1997 Legislature.

Most environmental problems will not be solved by one-time appropriations. An on-going level of support is needed. The 1996-2001 strategic capital budget plan continues long term planning for investment in environmental preservation. The environmental recommendations fund high priority projects with long-term benefit to our state. Minnesota's environmental agencies have worked together where appropriate to coordinate requests to maximize the effective use of limited bonding capacity.

### ENVIRONMENTAL PROTECTION

Environmental protection and improvement of the state's air, water, and resources are important elements for a high quality of life for all our citizens and future generations. Environmental improvement requires broad participation and coordination, and a strategy to address both current and future problems. The Governor's capital budget concentrates on the following goals:

- Improve water quality by focusing on both point and non-point pollution sources.
- Continue efforts to protect groundwater supplies.
- Protect public health from environmental hazards.

The 1994 bonding bill included crucial appropriations to further these goals. The metropolitan area combined sewer overflow program was concluded after a ten year effort and over \$200 million in general obligation bond financing. A new multi-year authorization of bonds was enacted to clean up over one hundred closed municipal landfills. The large 1994 bonding authorizations allow progress on achieving environmental goals with current smaller appropriations than in the past.

**Flood Control and Mitigation.** The Governor recommends \$4.5 million to continue the programs enacted in 1994 as a response to the 1993 flood. They consist of \$3.3 million for flood hazard mitigation projects and Area II flood control, and \$1.2 million for DNR's dam maintenance program.

**Improving Water Quality.** The Governor recommends \$3.3 million for combined sewer overflow as the final installment of the storm sewer separation project in Red Wing. The Governor also recommends \$4 million to provide the 20 per cent match for federal capitalization grants. The state funds leverage federal funds that permit issuance of revenue bonds for loans to finance construction of wastewater facilities and non-point source pollution projects. The Governor further recommends \$2 million for the wastewater infrastructure funding program that provides grants for wastewater construction and improvement projects to communities unable to afford the loan program.

**Safe Drinking Water.** The 1994 legislature established the Drinking Water Revolving Fund recommended by the Governor to finance public drinking water treatment and supply needs. Unfortunately, the federal government did not appropriate the funds that would finance most of the program. The Governor recommends \$2 million to match anticipated federal funds of \$10 million. The program will operate like the Wastewater State Revolving Fund, with low interest loans to communities to upgrade drinking water systems and comply with federal standards.

**Groundwater Protection.** The Governor recommends \$8 million for the capital assistance program to help finance the capital costs of constructing solid waste processing facilities. This local-state partnership is designed to protect groundwater supplies by minimizing the use of landfills for solid

waste disposal. The Governor also recommends \$500 thousand to continue the program of well sealing on public lands.

**Managing Federal Uncertainty.** The Wastewater State Revolving Fund and the Drinking Water Revolving Fund both rely primarily on federal funds to finance projects. At this time there are significant differences in federal funding levels recommended by Congress and the President. The Governor's policy continues to be to maximize the federal funds available for both programs. He recommends flexibility to transfer funds between the two programs depending on federal appropriations. If the precise amounts become known during the 1996 Session, the Governor will amend his recommendations to coincide with the matching requirement. If necessary, the Governor will make additional recommendations to the 1997 Legislature to match federal funds available then but not known now.

### NATURAL RESOURCES

The quality of our environment also depends on cost effective and productive management of natural resources. Our natural resources provide inputs to production for agriculture, forestry, manufacturing, and tourism businesses. The Governor's Capital Budget continues to focus on the following important natural resource 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.

The 1994 Bonding Bill included appropriations for making progress on achieving these goals. This capital budget continues the effort. The Governor's recommendations, when coupled with over \$2.7 million in funds allocated by the 1995 Legislature pursuant to recommendations made by the Legislative Commission on Minnesota Resources and another \$1.5 million in the 1995 bonding bill, allow for progress at a comparable level.

**RIM.** A major, multi-year project is Reinvest in Minnesota (RIM). The Governor's recommendation adds \$12.2 million to the \$2.7 million allocated by the LCMR in 1995 and \$1.5 million appropriated in the 1995 bonding bill for a combined total of \$16.4 million. Of the \$12.2 million recommended, \$7.5 million is earmarked for the RIM Reserve Program to acquire easements on private, highly erodible agricultural lands and the remaining \$4.7 million is for several DNR projects including wildlife and natural area land acquisition, scientific and natural areas, habitat improvements, and fisheries acquisition and improvements.

**St. Louis River Acquisition.** The Governor recommends \$2.2 million for the acquisition of privately held, undeveloped lands located along the St. Louis, Cloquet, and Whiteface rivers. When added to the LCMR allocation in 1993 and the appropriation in the 1994 bonding bill, approval of this recommendation will trigger a land donation by Minnesota Power and complete the acquisition of 22,000 acres of riparian lands which offer high quality resource, scenic, recreation, historic and archaeological value.

### OUTDOOR RECREATION

Well managed parks, trails, forests, wildlife lands, private acres, and zoo facilities maintain recreation and self renewal opportunities important to worker productivity, health and good citizenship. The Governor's Capital Budget addresses the following goals:

- 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 efficient propagation and harvest of forest resources.
- Maintain safe access to the grounds and facilities of the Minnesota Zoo.

The 1994 Bonding Bill included appropriations for making progress on achieving these goals. This capital budget continues the effort. The Governor's recommendations, when coupled with over \$12 million in funds allocated by the 1995 Legislature pursuant to recommendations made by the Legislative Commission on Minnesota Resources, allow for progress at a comparable level.

**Parks.** The Governor recommends \$4 million for the rehabilitation, development and acquisition of assets for the state park system and \$4.5 million for the metropolitan park system to be allocated according to the strategic priorities of the Metropolitan Open Space Commission. When added to the \$4.5 million and \$5.1 million respectively recommended by the LCMR in 1995 and adopted by the Legislature, this brings the biennial total to \$18.1 million. This is an amount comparable to the level approved in 1994.

**Trails.** The popularity of the trail network is compelling. To continue to acquire land and develop the trail system statewide, the Governor recommends \$4 million. Of this total, \$500 thousand is reserved for rehabilitation of existing trails.



**Forest Resources.** The Governor recommends \$650 thousand to improve forest resources to rehabilitate recreational facilities and improve forest roads and bridges.

**Minnesota Zoo.** State government, private companies, and individuals have invested heavily to create the impressive facilities at the Minnesota Zoo. Over 250,000 square feet of asphalt surfaces connect the various facilities and provide access. With this capital budget, the Governor recommends \$750 thousand as the start of a long term effort to preserve these roads and pathways. The initial effort will focus on projects to improve safety for the public attending the zoo.

## **BUILDINGS**

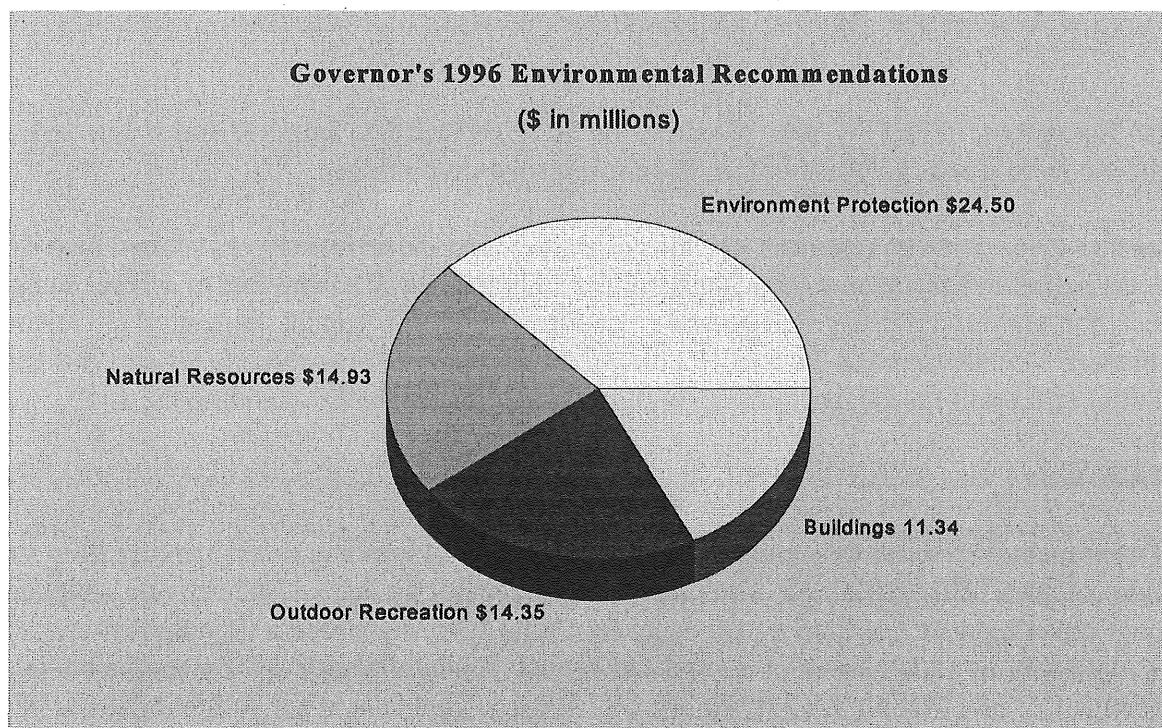
The Department of Natural Resources has a huge inventory of building assets ranging from vault toilets to complex office buildings. The most recent inventory includes 1,963 actively maintained buildings covering over 2 million gross square feet. The DNR undertook a thorough review of its office alignment in 1994 as part of an updated agency strategic plan based on ecosystem-based management. The DNR building inventory and strategic plan lead to the following goals in the Governor's Capital Budget relating to building assets:

- Preserve the value and usefulness of building facilities.
- Realign building facilities to conform with the goals and objectives of the agency strategic plan.

**Statewide Asset Preservation.** The Governor recommends \$2 million as the second installment in a long term commitment to preserve building facilities in DNR. The recommendation is for statewide buildings; additional recommendations are included in the Outdoor Recreation section above to preserve building and non-building assets in our parks, trails, and forestry systems.

**Field Office Consolidation.** The Governor recommends \$9.3 million to continue the office consolidation effort initiated two years ago. This effort improves deficient office space and accommodates the co-location of resource management services according to the principles of ecosystem-based management. The recommendation is in three parts: funds to complete consolidation projects already started; funds for remodeling and construction for new projects; and a modest amount for funding predesign work for future projects. The following pie chart illustrates the Governor's 1996-97 recommendations by theme area:

## 1996 Capital Budget Executive Summary



The following table highlights specific project recommendations by theme and agency for the 1996-2001 period.

		(\$ in thousands)		
Agency	Capital Budget Projects	1996 Session	1998 Session	2000 Session
<b>THEME</b>	<b>ENVIRONMENTAL PROTECTION</b>			
DNR	Flood Hazard Mitigation Grants	2,500	2,500	2,500
BWSR	Area II Flood Control	750	750	750
DNR	Dam Repair	1,200	1,200	1,200
PCA	Water Quality Monitoring	200		
PCA	Combined Sewer Overflow	3,349		
PFA	State Match for SRF	4,000	4,000	
PFA	State Match Drinking Water	2,000	2,000	2,000
PFA	Wastewater Infrastructure	2,000	2,000	2,000
DNR	Well Sealing on Public Land	500	500	500
OEA	Capital Assistance Program	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
	<b>Subtotal</b>	<b>24,499</b>	<b>20,950</b>	<b>16,950</b>

**Environment and Natural Resources**

(\$ in thousands)				
Agency	Capital Budget Projects	1996 Session	1998 Session	2000 Session
<b>THEME</b>	<b>NATURAL RESOURCES</b>			
BWSR	RIM Reserve Program	7,500	7,500	7,500
DNR	RIM Wildlife, Habitat, SNA	1,330	1,330	1,330
DNR	RIM Fisheries Improvements	500	500	500
DNR	RIM Land Acquisition	500	500	500
DNR	RIM Wildlife/Fisheries Acquisition	2,400	2,400	2,400
DNR	St Louis River Acquisition	2,200		
DNR	Fish Culture Rehabilitation	<u>500</u>	<u>500</u>	<u>500</u>
	<b>Subtotal</b>	<b>14,930</b>	<b>12,730</b>	<b>12,730</b>
<b>THEME</b>	<b>OUTDOOR RECREATION</b>			
DNR	Park Building Rehabilitation	1,500	1,500	1,500
DNR	Park Non-Bldg Better & Rehabilitation	1,500	1,500	1,500
DNR	Park Building Development	1,000	1,000	1,000
DNR	Metro Regional Park System	4,450	4,450	4,450
DNR	Trail Rehab and Development	500	500	500
DNR	Trail Acquisition and Development	3,500	3,500	3,500
DNR	Water Access	500	500	500
DNR	Forestry Facility Rehab	400	400	400
DNR	Forestry Roads and Bridges	250	250	250
Zoo	Roads and Pathways	<u>750</u>	<u>750</u>	<u>750</u>
	<b>Subtotal</b>	<b>14,350</b>	<b>14,350</b>	<b>14,350</b>
<b>THEME</b>	<b>BUILDINGS</b>			
DNR	Office Facility Consolidation	9,335	6,400	6,400
DNR	Statewide Deferred Renewal	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
	<b>Subtotal</b>	<b>11,335</b>	<b>8,400</b>	<b>8,400</b>
	<b>THEME SUBTOTALS</b>	<b>65,114</b>	<b>56,430</b>	<b>52,430</b>
AG/RFA	Agricultural Loan Program	41,000	-0-	-0-
	<b>GRAND TOTAL</b>	<b>106,114</b>	<b>56,430</b>	<b>52,430</b>



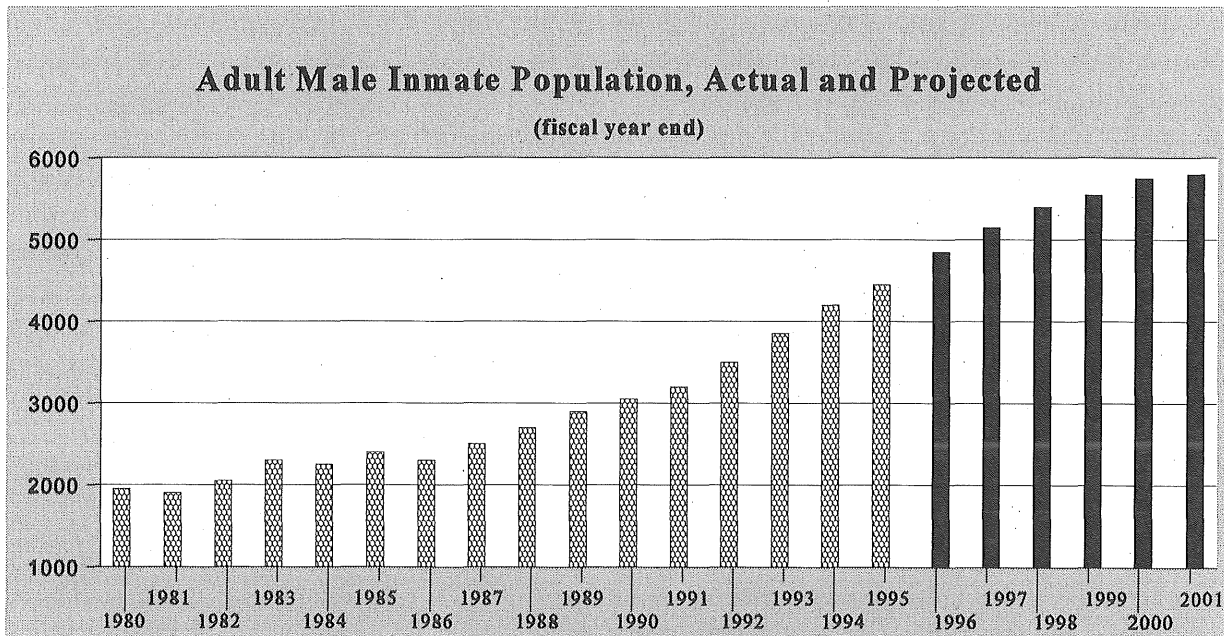
## CORRECTIONAL FACILITIES

Continued dramatic growth in the number of adult male inmates sentenced to state prison remains the primary force driving state corrections costs and the Governor's recommendations for Department of Corrections facilities.

As shown in the chart below, in fifteen years from 1980 to 1995, Minnesota's adult male prison population increased by 128% from 1,950 to 4,450. In the last five years alone, the adult male prison population has grown by 46%, an increase of 1,400 inmates.

This growth phenomenon is by no means over. The Sentencing Guidelines Commission is responsible for forecasting future state inmate population based upon current statutory penalties and relevant court sentencing actions. The Commission's most recent forecast (November 1994) estimates that the adult male prison population will reach 5,800 by the year 2001, far outstripping the capacity of all of the state's current correctional facilities.

Any legislative action to increase Minnesota's current criminal penalties would further aggravate this looming crisis. The November 1994 estimates are being revised by the Commission's staff to include 1994 sentencing data and will be made available for the 1996 legislative session.



For several biennia, the state has struggled to develop prison space fast enough to accommodate the explosion of additional inmates. Much of this development has taken place within a commitment to utilize excess space on campuses of the Department of Human Services Regional Treatment Centers (RTC's). This capacity exists due to a state policy which has emphasized the de-institutionalization of developmentally disabled and mentally ill clients and greater reliance on

## 1996 Capital Budget Executive Summary

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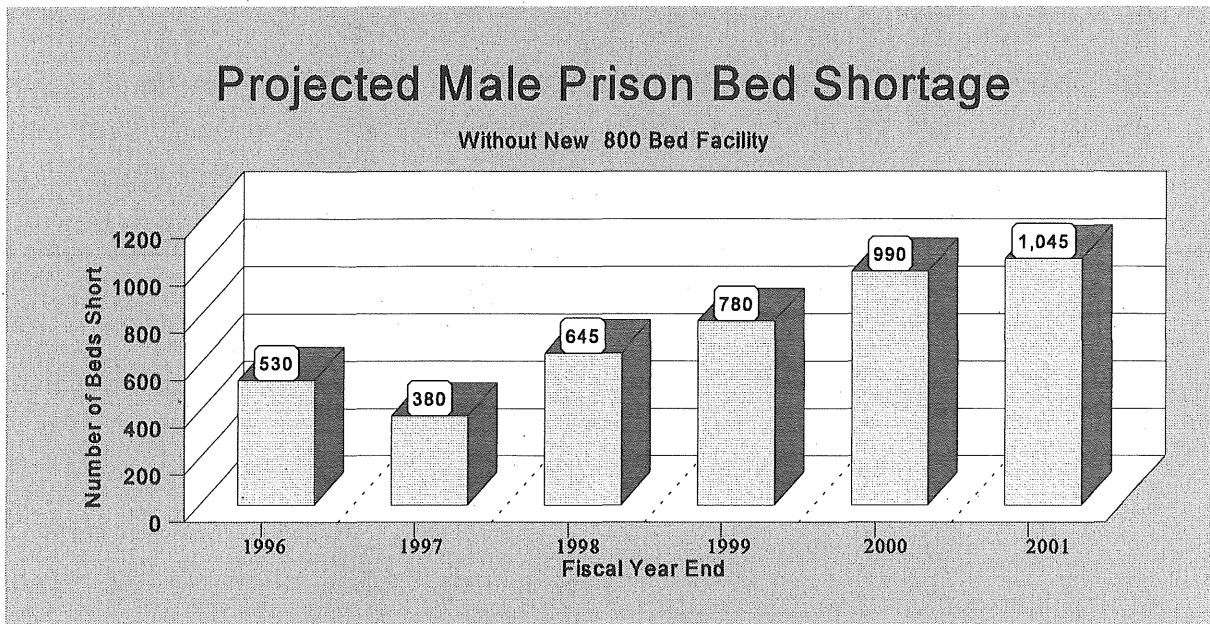
community based program alternatives. Conversion of RTCs to Corrections facilities is based on the premises that the state has a continuing responsibility for the economic viability of RTC communities, a pool of experienced workers already exists in these communities, and that conversion of existing facilities is less costly than new capital construction.

While these RTC campus conversion efforts have been generally successful, they have not generated the total number of beds needed by the Corrections department. As a result, crowding in existing prison facilities has continued and the need to house inmates has led to some less than desirable practices. More importantly, while these converted facilities are appropriate for low and medium security inmates, they are not appropriate for housing the state's more violent and dangerous long-term inmates who require a higher level of custody and control.

From 1990 to 1995, the number of adult male inmates imprisoned for offenses against other persons has increased by 1,080. This increase of violent inmates represents 77% of the total population increase over the five-year period. Offenders with a history of committing crimes against other people represent high security risks and require a much more intense level of supervision and control than property offenders since their behavior is often unpredictable and violent.

Recent expansions and improvements at the Lino Lakes, Moose Lake, and Faribault correctional facilities have provided additional capacity appropriate for low and medium security inmates. However, these institutions are not appropriate for housing the violent and predatory offenders entering the prison system. Minnesota has three institutions which are appropriate for high security inmates. The Stillwater and St. Cloud facilities are high security facilities, referred to as "close custody" and are designed to house most of the state's serious predatory criminals. Oak Park Heights is the highest security facility in the state prison system and is designed to house the most dangerous and violent offenders. The populations of these institutions far exceed the capacity for which they were built. As a result, high risk, predatory inmates are often mixed into lower security institutions. Their presence in these institutions threatens security, raises the level of tension, and has a destabilizing effect.

Good management practices require that correctional facilities should operate at no more than 95% of design capacity to allow for separation and segregation of inmates, movement of inmates, maintenance, and other factors. Current population pressures have eliminated the department's ability to employ this management practice. Assuming the 95% rule, the prison system will have a continuing bed shortage as indicated in the following chart.



Sentencing Guidelines Commission projections clearly indicate that space shortages will become critical unless action is taken now. The Governor addressed this continuing capacity problem in his 1994 Strategic Capital Budget Plan by recommending expansions at the Moose Lake, Lino Lakes, and Faribault correctional facilities which manage medium security risk offenders. The Legislature concurred in the need for these expansions and approved funding for all of these facilities.

The Governor also recommended an accelerated pre-design and design effort for the construction of a new 800 bed close custody facility to house volatile, dangerous, long-term inmates who require a high security environment. The Legislature concurred in the need for this new facility and appropriated \$2 million with the expectation of funding final design and construction in the 1996 session so that the facility would be available in F.Y. 2001. That planning and design effort is nearing completion.

The state could change its prison sentencing policies and adopt other management practices to reduce prison crowding and reduce the need for future development as identified by John Brandl and Vin Weber in *An Agenda for Reform*. However, any changes would be difficult to implement and would require time to reduce the number of offenders confined to state prison facilities. The state must act now in order to meet its future needs of approximately 1,000 additional prison beds by F.Y. 2001.

## **1996 Capital Budget Executive Summary**

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The Governor recommends the following projects for action by the Legislature in the 1996 session:

- \$99.9 million to complete final design, construct, and equip a new 800 bed close custody facility. Creation of this facility will allow the state to house its worst criminal offenders and alleviate overcrowding conditions at other facilities that will become increasingly severe in future years.
- \$1.5 million for conversion of buildings at the Brainerd Regional Center campus to provide 300 beds for geriatric and low security inmates.
- \$842,000 to plan an expansion of the Lino Lakes segregation unit.
- \$2.4 million to expand and relocate the St. Cloud visiting, X-ray, and laundry rooms.
- \$2.6 million to plan a new health services unit at Stillwater prison.

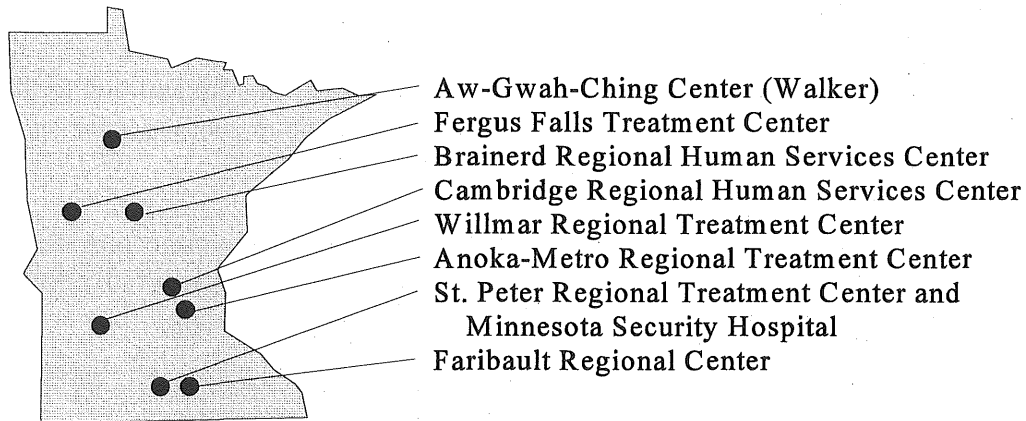


## HUMAN SERVICES AND VETERANS HOMES

### HUMAN SERVICES

The Governor's Strategic Capital Budget Plan for the Department of Human Services maintains and improves capital assets held in the RTC system, and upgrades client residential and treatment environments. This includes renovating selected buildings on some campuses so that facilities will better meet client treatment needs as well as providing repair and replacement of vital infrastructure elements.

Minnesota's eight regional treatment centers (RTCs) are a part of the department's health and continuing care services. RTCs are located in several communities throughout Minnesota.



The number of people receiving care and services at RTCs continues to decline. The present licensed capacity of the system is 3,765 beds, but the average daily population is about 2,245. Maintaining the infrastructure of these buildings costs millions of dollars each year. The vision for the next decade is to focus on smaller-scale, community-based services. Capital decisions must consider current and future excess capacity in the RTCs, and the future of each of the campuses.

Even though the trend is towards smaller community-integrated services that are generally preferred by clients and their families, some people will always need the more insulated treatment environment of an RTC-type setting.

The proposed budget includes:

- Design funding of \$322,000 in 1996 and construction funding in 1998 for a 150 bed replacement hospital at Anoka-Metro RTC. The project is a first step in the department's strategic plan for correcting the imbalance of beds between metro and rural areas of the state.

## **1996 Capital Budget Executive Summary**

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- \$2 million for systemwide asset preservation improvements and \$1.8 million for HVAC improvements at Brainerd RHSC. These projects will replace and upgrade aging and inadequate infrastructure.

### **VETERANS HOMES**

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

The Governor's recommendations include:

- \$242 thousand for design and construction of a multiple program addition to the Silver Bay Veterans Home. This addition would be used for a day room, activity area, and wander area for residents with dementia or Alzheimer's disease.
- \$500 thousand for the most urgently needed asset preservation projects on the campuses of the Minnesota Veterans Homes. Funds would primarily be targeted for the Minneapolis and Hastings homes which contain the oldest structures in the system.

## STATE GOVERNMENT AND TRANSPORTATION

### STATE GOVERNMENT

The state has responsibility for providing high quality and efficient services to its citizens. Facilities housing such services must be prudently developed and cost-effective. Recommendations included in the Strategic Capital Budget Plan are designed to improve the quality and productivity of Minnesota government.

As state programs expanded in the 1970s and 1980s, agency operations became dispersed and fragmented in numerous privately-owned leased facilities. The current space inventory is comprised of 1.8 million square feet of state-owned and 2 million square feet of privately-owned leased space in the seven county metropolitan area. Since the late 1970s, the amount of leased office space has more than doubled while the amount of state-owned space has remained relatively constant.

Financial studies clearly indicate that it is more economical for the state to own rather than lease office space on a long term basis. The state currently leases office space in the metropolitan area at a rental cost of about \$38 million annually, or an average rent of \$14.33 per square foot. This is up from \$27 million in 1994 at \$13.32 per square foot. If the state continues to meet future space needs only by leasing privately-owned office space, the annual cost would more than double over 20 years. This is not an acceptable mode of operation.

To reduce state operating costs and reliance on leased space, the Governor recommends the following:

- \$1.9 million for design of a new Revenue Department facility and \$4.9 million for design of a new Health Department building.
- \$8.1 million to relocate and construct new facilities for the Department of Administration's support services operations and \$2.7 million to relocate the Travel Management facility. Operations will be relocated to more appropriate sites in a nearby industrial area in order to provide land in the Capitol complex for potential use as a future site for the new Health and Revenue facilities.

### TRANSPORTATION

The Governor's capital budget includes \$57.4 million for transportation related projects. These recommendations include components financed from general obligation bonds for projects ineligible for trunk highway funds and cash appropriations from the Trunk Highway Fund for Department of Transportation and Department of Public Safety buildings.

## 1996 Capital Budget Executive Summary

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- **General Obligation Bonds - \$28 million**

The Governor recommends \$10 million for grants to local governments to improve the quality and safety of local bridges, \$15 million as matching funds for the Metropolitan Public Safety Radio System, and \$3 million for grants to support port development on Minnesota's waterways.

- **Trunk Highway Fund - \$29.4 million**

The Governor recommends \$20.5 million be appropriated to the Commissioner of Transportation. Of this amount, \$9 million is to replace the district headquarters building in Bemidji and \$11.5 million is for projects including truck stations, storage buildings, and highway rest areas.

The Governor recommends \$7.7 million be appropriated to the Commissioner of Administration. Of this amount, \$5.5 million is to continue the renovation of the Department of Transportation central office building and \$2.2 million for agency relocations.

The Governor recommends \$1.2 million be appropriated to the Commissioner of Public Safety for license examination stations.

In future biennia, the Governor will propose a more streamlined and efficient budget process by including the smaller ongoing building projects in the operating budget and concentrating in the capital budget on larger projects. Therefore, future capital budgets will include only those major projects such as headquarter building replacements, additions or renovations. Other projects will be presented in the operating budget which represent ongoing operational needs such as truck station replacements or additions, chemical and other storage buildings, associated design fees and land acquisitions, rest areas, and related items.

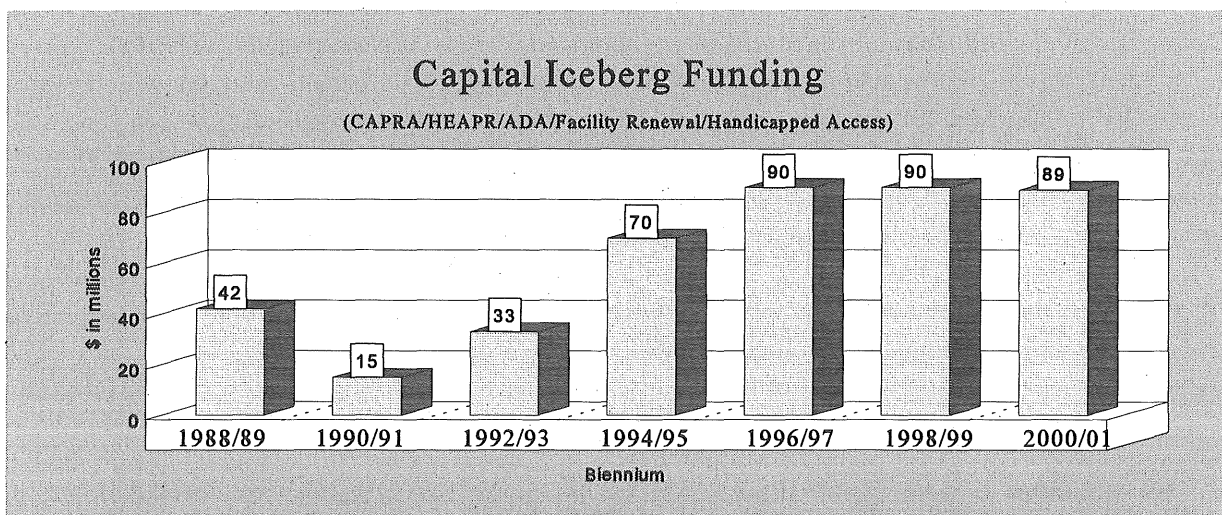
## ASSET PRESERVATION

A basic principle of capital budget reform incorporated in the Governor's Strategic Capital Budget Plan is that the state must maintain the proper condition of its existing assets and facilities before committing resources to acquire new ones. Since 1990, the Legislature has recognized the importance of this concept by increasing asset preservation funding for state agencies and the higher education systems. The Governor strongly believes that aggressive funding levels for asset preservation must continue to increase in order to preserve and upgrade our state facilities.

**Asset Preservation and Deferred Maintenance Funding.** This capital budget includes \$90 million in the 1996 legislative session and planning estimates of \$90 million in 1998 and \$89 million in 2000 for asset preservation, ADA related improvements and deferred maintenance funding. This commitment will significantly increase the state's capital investment in preserving its infrastructure assets. Appropriations are recommended to the Department of Administration, various state agencies with major holdings of land and facilities, the Minnesota State Colleges and Universities (MnSCU), and the University of Minnesota.

CAPRA and HEAPR funding of \$90 million per biennium will 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.

The Governor's capital budget also proposes a six-year, \$30 million plan for financing facility improvements and related requirements of the federal Americans with Disabilities Act (ADA). Combined with 1989 authorization of \$29 million and 1994 authorization of \$11.5 million for handicapped accessibility, the six-year ADA recommendations mark significant progress in providing access to public buildings to all citizens.



## 1996 Capital Budget Executive Summary

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

In order to better assess 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 is undertaking a multi-year effort to analyze the condition and suitability of state facilities. The department has estimated that based on approximately 80 million gross square feet of space owned and occupied by state agencies, state colleges and universities, and the University of Minnesota, the backlog of deferred maintenance may be as high as \$1.5 billion. Although these estimates are very rough, the problem is clear. The conclusion is that the state must commit more resources to preserving and upgrading our present facilities.

The Governor's 1996-2001 capital budget proposes two major long-term strategies 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.
- Work systematically towards melting the "iceberg" by reducing the backlog of deferred maintenance needs.

In the Department of Administration's efforts to estimate the overall size of the state's capital iceberg, agencies and higher education institutions have been asked to calculate the size of agency deferred maintenance needs. These estimates form the basis for asset preservation requests which major agencies have submitted for consideration in the 1996 session. State agencies and institutions with major holdings or occupancy of land and facilities include Corrections, Human Services, Natural Resources, Military Affairs, Faribault Residential Academies, Arts Education Center, Veteran's Homes Board, Minnesota Historical Society, and the higher education systems.

It is expected that these requests will be vigorously discussed during the course of the 1996 legislative session by finance division committees with budgetary oversight of these agencies. The Governor proposes funding for each of these major agencies to allow them to address their on-going deferred maintenance needs in a systematic manner. In addition, CAPRA funding of \$16 million is recommended to the Department of Administration as a safety net for emergencies and for renewal needs of other state agencies not submitting individual requests. HEAPR funding of \$24 million is recommended for the MnSCU system, and \$18 million is recommended for the University of Minnesota with an additional \$6 million for renewal of various classroom facilities.

Deferred maintenance needs are not readily apparent nor easily quantified. Renewal projects do not attract vocal constituent groups or noticeable public support. Yet, these needs are critical to the proper delivery of public services and must be considered as the foundation of all state program activities and service delivery.

<b>Governor's Asset Preservation Recommendations</b>			
(\$ in millions)			
	1996	1998	2000
University of Minnesota/HEAPR/Facility Renewal	\$ 24.0	\$ 24.0	\$ 24.0
Minnesota State Colleges & Universities/HEAPR	24.0	24.0	24.0
Administration/CAPRA	16.0	16.0	16.0
Administration/ADA	10.0	10.0	10.0
Capitol Area Architectural & Planning Board	4.8	4.8	4.8
Human Services	2.0	2.0	2.0
Minnesota Historical Society	2.0	2.0	2.0
Corrections	2.0	2.0	2.0
Military Affairs	0.9	1.1	0.8
Faribault Residential Academies	1.0	1.0	1.0
Center for Arts Education	0.4	0.3	0.0
Veterans Homes Board	0.5	0.5	0.0
Natural Resources	<u>2.0</u>	<u>2.0</u>	<u>2.0</u>
<b>TOTAL ASSET PRESERVATION</b>	<b>\$ 89.6</b>	<b>\$ 89.7</b>	<b>\$ 88.6</b>

**1996 Capital Budget Executive Summary**

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## CAPITAL BUDGET FINANCING

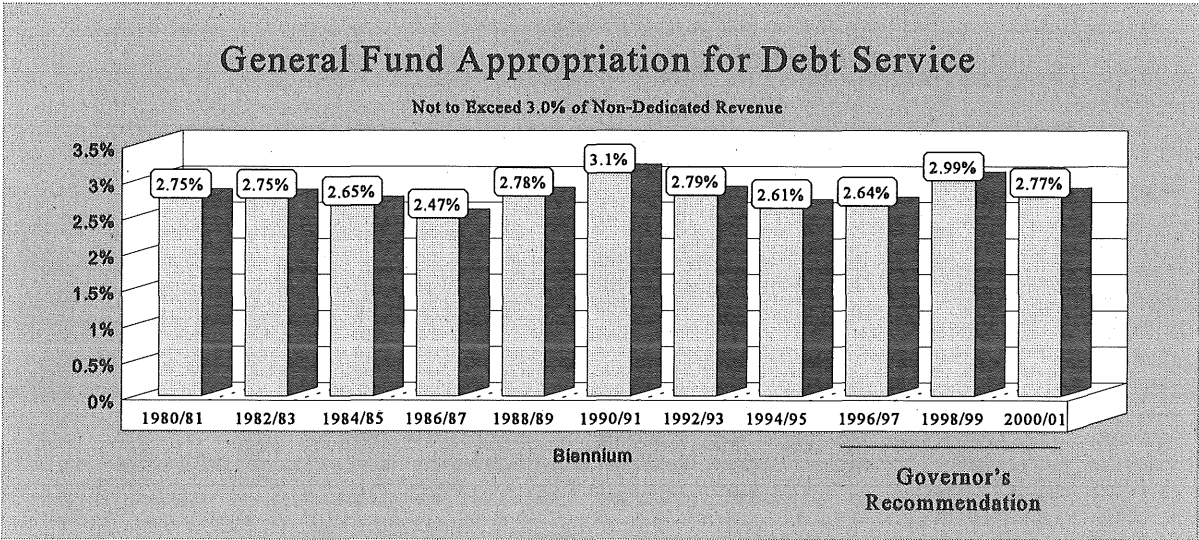
### DEBT MANAGEMENT POLICY

Minnesota’s 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

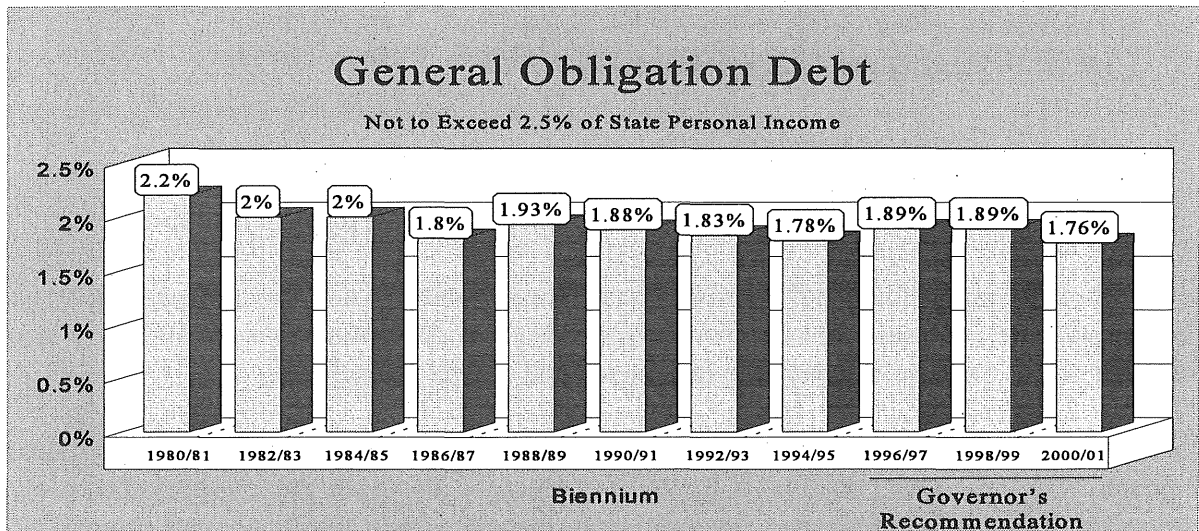
Four debt management guidelines have been established to meet the debt management policy goals. They provide the necessary financial management framework for the Governor and legislature to prudently assess the state’s capacity to manage capital budget financing.

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.

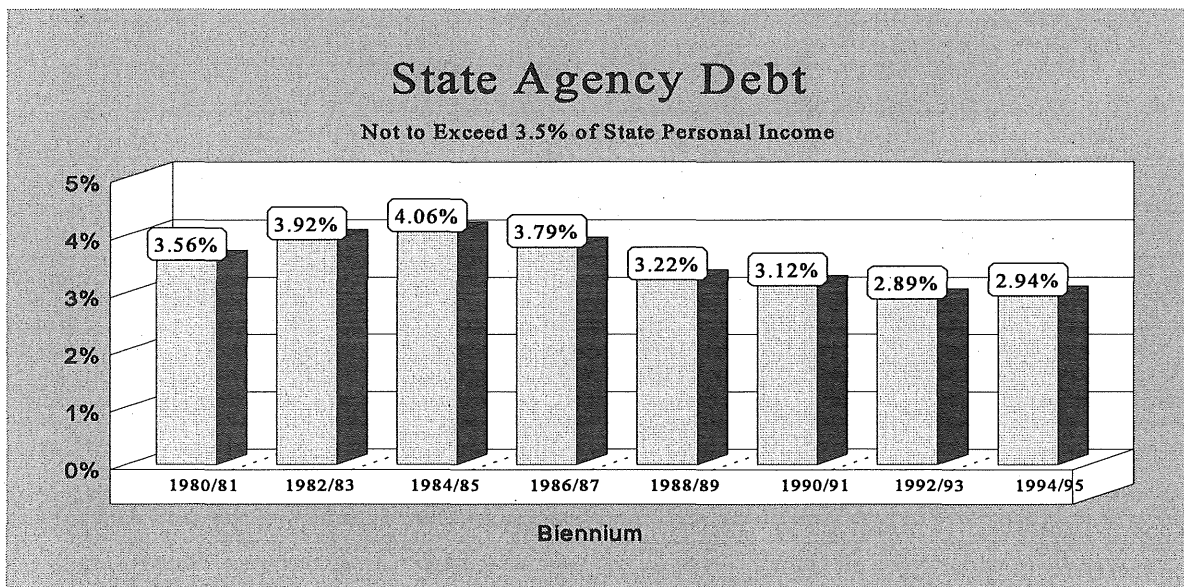


## 1996 Capital Budget Executive Summary

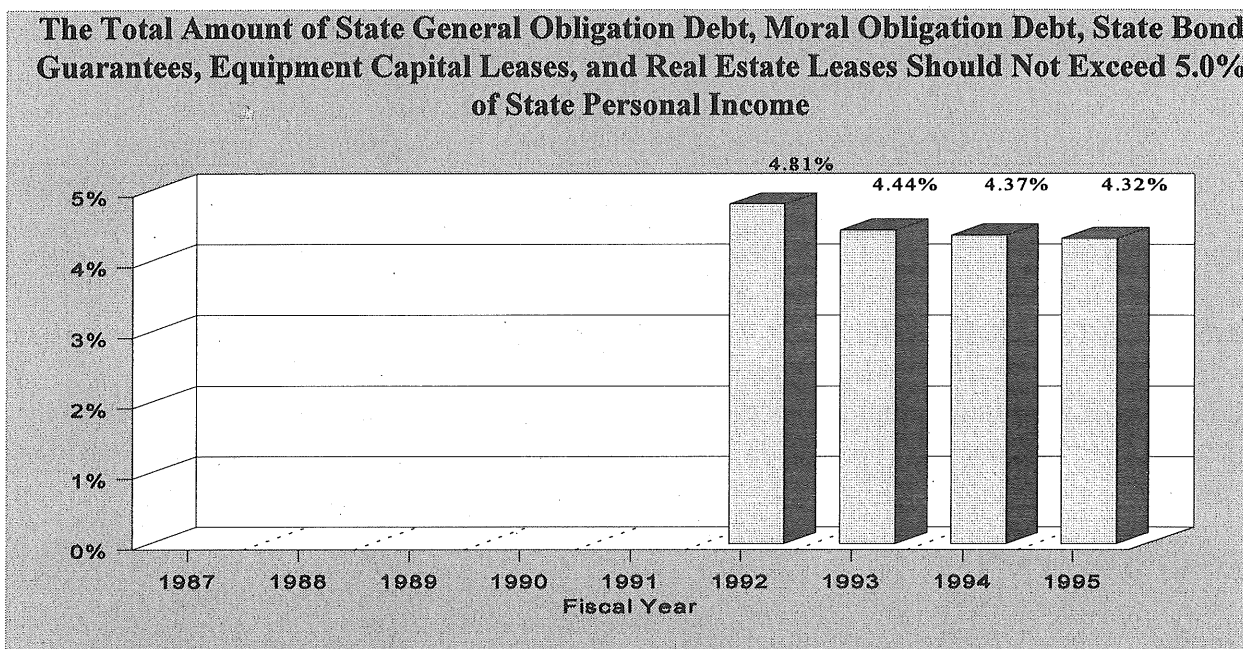
The second guideline requires that general obligation debt should not exceed 2.5% of state personal income. Personal income is a measure of the state's wealth. This ratio limits the amount of general obligation debt outstanding to a specified percentage of this measure of state wealth.



The third guideline limits state agency debt to 3.5% of state personal income.



The fourth guideline was established in 1993. This new guideline combines 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.



## BOND RATINGS

The state's general obligation bonds are rated by three credit rating agencies. Moody's Investors Service rates the state's bonds Aa1, Standard & Poor's Corporation rates the bonds AA+ and Fitch Investors Service rates the bonds AAA.

Moody's upgraded the state from Aa to Aa1 in March 1994. Moody's listed these factors about the state at the time of the upgrade:

- Minnesota's increasingly diverse economy has contributed to its credit strength, mitigating weakness in the computer and mining sectors. Over the long term, the state's economy has outperformed the region and nation in income and employment indices. The state's unemployment rate currently remains two percentage points below the U.S. figure, and the economic and financial impact of the summer 1993 floods has proven to be modest.
- Well managed financial operations have been marked by good expenditure discipline, conservative revenue forecasts and careful budget planning, all contributing to balanced results, even through the recent economic downturn. Audited statements for fiscal 1993 show better performance than had been previously expected.

## 1996 Capital Budget Executive Summary

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- Financial reforms and the state's budget reserve are important parts of the state's plan to protect against economic uncertainty. Health care reforms, embodied in the MinnesotaCare program and already-extensive use of "health alliances", position the state well for potential federal health policy changes.
- The state's moderate debt burden and strong bond security provisions are important credit factors. The expectation that Northwest Airlines will substantially reduce the size of planned aircraft maintenance facilities, which were to be financed in part by bonds carrying a state general obligation pledge, should limit the state's exposure to this contingent liability.

### BONDS OUTSTANDING

The state sells general obligation bonds to fund capital projects. The state had \$1.8 billion of bonds outstanding on January 1, 1996. In addition, the state had \$584 million in bonds authorized but unissued.

### BONDING CAPACITY

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 1996-97 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 a stable level of new capital budgets in these future biennia.

## APPENDICES

The following appendices are included to provide additional information on the proposed capital budget.

- **Appendix A: Debt Management Planning Framework**  
Information regarding the Governor's recommendations, estimated bond authorizations, debt service capacity and debt service dollars available for F.Y. 1996-2003.
- **Appendix B: Governor's Recommendations by Theme**  
Identifies total project requests and Governor's recommendations by major capital budget theme for F.Y. 1996-2001. Themes include the policy areas of criminal justice and human development, education, environment, grants to political subdivisions, state government, and transportation. Identifies Governor's recommendations for 1996 and planning estimates for 1998 and 2000.
- **Appendix C: Governor's Recommendations by Agency**  
Summarizes overall agency requests, Governor's recommendations for 1996, as well as planning estimates for 1998 and 2000.
- **Appendix D: Governor's Recommendations by Agency and Scores**  
Presents projects on an agency-by-agency basis in order of strategic score, with Governor's recommendations for 1996 and planning estimates for 1998 and 2000.
- **Appendix E: Governor's Recommendations in Rank Order of Importance**  
Presents Governor's recommendations for 1996 in rank order by score. Project recommendations are listed in descending order. This appendix is provided to comply with requirements of M.S. 16A.11 regarding the rank ordering of Governor's recommendations.
- **Appendix F: Qualification and Strategic Scoring**  
Describes the process utilized for qualifying and scoring each 1996 capital request against standardized benchmarks which evaluate the strategic value of projects.

## **1996 Capital Budget Executive Summary**

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**APPENDIX A**  
**DEBT MANAGEMENT PLANNING FRAMEWORK**  
(\$ in Thousands)

<u>Debt Service Capacity</u>	<u>1996-97</u>	<u>1998-99</u>	<u>2000-01</u>	<u>2002-03</u>
NonDedicated Revenue	18,078,574	19,025,013	20,819,186	23,029,641
3 Percent Debt Capacity	542,357	570,750	624,576	690,889
Actual Debt Service Appropriation	478,078			
Less:				
Year 1 Debt Service – Base	214,504	205,108	163,512	146,355
Year 2 Debt Service – Base	<u>202,583</u>	<u>181,810</u>	<u>151,418</u>	<u>127,372</u>
Net Biennial Existing Debt	417,087	386,918	314,930	273,727
Available Debt Service Capacity	60,991	183,832	309,646	417,162
Less:				
New Debt Service for Existing Authorizations (1)	49,303	94,674	84,781	79,928
Total Debt Service	466,390	481,592	399,711	353,655
Excess/(Shortfall) Capacity	11,688	89,159	224,865	337,235
Debt Service to General Fund Revenue (Debt Management Guideline)	2.58%	2.53%	1.92%	1.54%
<b><u>Debt Management Planning Framework</u></b>				
Debt Service Dollars Required	12,764	103,564	197,761	274,465
Add'l Invest. Income from New Capital Budgets	<u>(1,076)</u>	<u>(15,729)</u>	<u>(20,579)</u>	<u>(17,763)</u>
Debt Service Dollars Required	<u>11,688</u>	<u>87,835</u>	<u>177,182</u>	<u>256,702</u>
Total Debt Service Required	478,078	569,426	576,893	610,357
Direct Appropriations	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>	<u>N.A.</u>
Total Dollars Required	478,078	569,426	576,893	610,357
Debt Service to General Fund Revenue	2.64%	2.99%	2.77%	2.65%
Estimated Bond Authorizations (2)	591,333	530,000	530,000	530,000

(1) Based upon cash flow estimates from the November, 1995 forecast. Assumed Bond Sales:

	\$41,952 sold 8/97 @ 4.60%
\$194,049 sold 4/96 @ 4.80%	\$41,952 sold 4/98 @ 4.40%
\$4,625 sold 4/96 @ 6.75%	\$6,217 sold 8/98 @ 4.20%
\$123,427 sold 10/96 @ 4.70%	\$6,996 sold 1/99 @ 4.10%
\$91,229 sold 4/97 @ 4.70%	\$4,417 sold 8/99 @ 4.05%

(2) All future major Capital Budgets are assumed to be authorized in the even numbered years with small Capital

Budgets in the odd numbered years. Estimated Bond Authorizations:

1995 Session	[33,697]	1999 Session	30,000
1996 Session	557,636	2000 Session	500,000
1997 Session	30,000	2001 Session	<u>30,000</u>
1998 Session	500,000	Total	1,647,636

## 1996 Capital Budget Executive Summary

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**STATE OF MINNESOTA**

FY 1996 - 2001

Capital Budget Requests

**APPENDIX B**

**Governor's Recommendations**

(By Theme)

(in \$000)

	Agency Request				Governor's Recommendations FY 96	Governor's Planning Estimates	
	FY 96	FY 96 %	FY 98	FY 00		FY 98	FY 00
Criminal Justice & Human Development	\$179,274	16%	\$181,897	\$57,681	\$118,683	\$42,138	\$8,500
Education	\$316,679	28%	\$387,063	\$170,930	\$177,940	\$52,341	\$50,000
Environment	\$230,760	20%	\$227,643	\$188,986	\$106,114	\$56,430	\$52,430
Grants to Political Subdivisions	\$116,745	10%	\$135,251	\$2,793	\$49,659	\$792	\$2,293
State Government	\$168,236	15%	\$274,374	\$222,166	\$87,068	\$191,158	\$38,105
Transportation	\$106,864	9%	\$93,865	\$91,990	\$48,530	\$14,797	\$13,950
<b>Grand Totals</b>	<b>\$1,118,558</b>	<b>100%</b>	<b>\$1,300,093</b>	<b>\$734,546</b>	<b>\$587,994</b>	<b>\$357,656</b>	<b>\$165,278</b>

## 1996 Capital Budget Executive Summary

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**STATE OF MINNESOTA**

**FY 1996 - 2001**

**Capital Budget Requests**

**APPENDIX C**

**Governor's Recommendations**

**(Agency Summary)**

**(in \$000)**

Agency	Number of Requests	Agency Requests			Governor's Recommendations FY 96	Governor's Planning Estimates	
		FY 96	FY 98	FY 00		FY 98	FY 00
Administration	22	101,120	244,119	189,008	54,851	167,608	26,000
Agriculture	4	44,912	41,000	44,000	41,000	0	0
Amateur Sports Commission	4	12,100	0	0	18,800	0	0
Capital Area Arch. Plan Board	7	14,931	14,958	13,350	4,800	4,800	4,800
Center for Arts Education	12	13,612	8,931	8,935	978	341	0
Children, Families and Learning	3	26,000	6,000	2,000	23,000	3,000	1,000
45 Corrections	52	142,883	137,649	23,717	109,303	30,980	2,000
Economic Security	1	2,000	2,000	2,000	2,000	2,000	2,000
Environmental Assistance	1	16,600	25,900	12,000	8,000	8,000	8,000
Grants to Political Subdivisions	18	116,745	135,251	2,793	49,659	792	2,293
Historical Society	16	14,222	5,666	10,235	2,500	2,500	2,500
Housing Finance Agency	1	2,500	2,500	2,500	2,500	2,500	2,500
Human Services	18	26,258	36,800	29,464	4,138	6,158	2,000
Labor Interpretive Center	1	11,200	0	0	0	11,200	0
MN State Colleges/Universities	71	141,263	290,030	96,321	53,995	24,000	24,000
Military Affairs	5	1,868	1,506	1,283	932	1,050	805
Natural Resources	33	99,923	85,398	86,921	36,565	31,430	31,430
Pollution Control Agency	2	3,549	0	0	3,549	0	0

**STATE OF MINNESOTA**

**FY 1996 - 2001**

**Capital Budget Requests**

**APPENDIX C**

**Governor's Recommendations**

**(Agency Summary)**

**(in \$000)**

Agency	Number of Requests	Agency Requests			Governor's Recommendations FY 96	Governor's Planning Estimates	
		FY 96	FY 98	FY 00		FY 98	FY 00
Public Safety	1	1,185	0	0	1,185	0	0
Public Service	1	11,610	8,125	8,290	4,000	4,000	4,000
Residential Academies	16	3,104	7,157	3,935	2,186	1,000	1,000
Trade and Economic Development	3	32,250	38,200	26,000	8,000	8,000	4,000
Transportation	53	106,864	93,865	91,990	48,530	14,797	13,950
University of Minnesota	9	132,700	74,945	59,739	97,781	24,000	24,000
Veterans Homes Board	6	5,633	2,948	0	742	500	0
Water & Soil Resources Board	4	25,726	23,631	19,399	8,250	8,250	8,250
Zoological Gardens	6	7,800	13,514	666	750	750	750
<b>Grand Totals</b>	<b>370</b>	<b>\$1,118,558</b>	<b>\$1,300,093</b>	<b>\$734,546</b>	<b>\$587,994</b>	<b>\$357,656</b>	<b>\$165,278</b>

46

**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

**FY 1996 - 2001**

**(By Agency & Scores)**

**Capital Budget Requests**

**(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Administration**

Statewide CAPRA-Admin	01	540	GO	25,000	25,000	25,000	<b>16,000</b>	16,000	16,000
Statewide Building Access-Admin	02	540	GO	20,000	20,000	20,000	<b>10,000</b>	10,000	10,000
Renovate Transportation, Phase 4	04	450	THF	5,525	8,806	0	<b>5,525</b>	8,806	0
Renovate Capitol Area Elevators	03	400	GO	1,744	0	0	<b>1,744</b>	0	0
Agency Relocation	14	400	GF/THF	5,148	0	0	<b>2,454</b>	0	0
Capitol Square Demolition	08	375	GO	850	0	0	<b>0</b>	0	0
New Health Building & Ramp	05	330	GO	4,000	101,538	0	<b>4,900</b>	101,538	0
New Military Affairs Facility & Ramp	06	305	GO	6,460	20,205	0	<b>0</b>	0	0
New Revenue Office Building	07	305	GO	1,850	29,449	0	<b>1,850</b>	29,449	0
Support Services Facility	09	305	GO	8,088	0	0	<b>8,088</b>	0	0
Predesign for Capitol Building Renovation	18	290	GO	400	0	0	<b>0</b>	0	0
Predesign DPS Building & Ramp	11	280	GO	161	1,841	39,531	<b>0</b>	0	0
Electrical Utility Infrastructure - Phase 2	13	280	GO	1,635	1,815	0	<b>1,635</b>	1,815	0
Remodel Ford Building	15	275	GO	398	7,660	0	<b>0</b>	0	0
Security & Lighting Improvements - Phase 2	12	270	GO	1,090	0	0	<b>0</b>	0	0
Travel Management Facility	10	270	GO	2,655	0	0	<b>2,655</b>	0	0
New Education Building	17	255	GO	250	4,300	69,560	<b>0</b>	0	0
Governor's Residence Renovation	20	255	GO	900	0	0	<b>0</b>	0	0

**Funding Source**

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LF = Local Funding

**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

**FY 1996 - 2001  
Capital Budget Requests**

**(By Agency & Scores)  
(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Administration**

Predesign Capitol Parking/Plaza	19	250	GO	200	3,400	32,059	0	0	0
Real Property Acquisition	16	100	GO	14,766	20,000	0	0	0	0
Predesign Centennial Building Renovation		0	GO	0	105	1,408	0	0	0
Cedar Office Building		0	GO	0	0	1,450	0	0	0
<b>Agency Totals</b>				<b>\$101,120</b>	<b>\$244,119</b>	<b>\$189,008</b>	<b>\$54,851</b>	<b>\$167,608</b>	<b>\$26,000</b>

**Agriculture**

Rural Finance Authority Loan Participations	01	425	GO/UF	41,000	41,000	44,000	41,000	0	0
Climatic Monitoring Stations	03	235	GF	271	0	0	0	0	0
Model Farming Systems	02	225	GO/GF	3,316	0	0	0	0	0
Greenhouse for Rearing Biological Agents	04	135	GO	325	0	0	0	0	0
<b>Agency Totals</b>				<b>\$44,912</b>	<b>\$41,000</b>	<b>\$44,000</b>	<b>\$41,000</b>	<b>\$0</b>	<b>\$0</b>

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Amateur Sports Commission**

"Mighty Ducks" Community Ice Center	03	271	GO/LF/UF	9,000	0	0	18,800	0	0
National Volleyball Center (Rochester)	01	210	GO	2,500	0	0	0	0	0
National Sports Center Land Acq (Blaine)	02	150	GO	400	0	0	0	0	0
Mpls/St. Paul Inner City Sport Centers	04	100	GO	200	0	0	0	0	0
<b>Agency Totals</b>				<b>\$12,100</b>	<b>\$0</b>	<b>\$0</b>	<b>\$18,800</b>	<b>\$0</b>	<b>\$0</b>

49

**Capital Area Arch. Plan Board**

Capitol Building: Structural Stabilization	01	455	GO	12,700	12,000	13,150	4,800	4,800	4,800
Capitol Building: Cafeteria Renovation	05	275	GO	89	1,768	0	0	0	0
Aurora Avenue Safety Improvements	03	255	GO	427	0	0	0	0	0
Capitol Area Comprehensive Planning	02	230	GF	180	0	0	0	0	0
Capitol Complex Comprehensive Signage	04	195	GO	1,535	540	0	0	0	0
Restoration of Statuary and Court of Honor		0	GO	0	550	0	0	0	0
Capitol Grounds: Planning/Rehab		0	GO	0	100	200	0	0	0
<b>Agency Totals</b>				<b>\$14,931</b>	<b>\$14,958</b>	<b>\$13,350</b>	<b>\$4,800</b>	<b>\$4,800</b>	<b>\$4,800</b>

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Center for Arts Education**

Asset Preservation-Arts Center	03	395	GO	366	341	0	366	341	0
Instructional Resources Facility	01	326	GO/UF	6,879	0	0	0	0	0
Delta Dormitory Upgrades	02	270	GO/GF	612	0	0	612	0	0
Research and Technology Center	04	265	GO	2,114	0	0	0	0	0
Media Arts Building	05	210	GO	2,149	0	0	0	0	0
Student Center	06	200	GO	1,477	0	0	0	0	0
Theater Pre-Design	07	175	GO	5	2,678	0	0	0	0
Existing Administration/Visual Arts	09	155	GO	7	4,295	0	0	0	0
Dance Studios Pre-design Confirmation	08	140	GO	3	1,602	0	0	0	0
Renovate GAIA to Teacher Education		0	GO	0	7	3,293	0	0	0
Classroom Building		0	GO	0	4	2,784	0	0	0
Alpha Dorm Renovation		0	GO	0	4	2,858	0	0	0
<b>Agency Totals</b>				<b>\$13,612</b>	<b>\$8,931</b>	<b>\$8,935</b>	<b>\$978</b>	<b>\$341</b>	<b>\$0</b>

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00
School Building Accessibility Grants	02	345	GO	4,000	4,000	0	2,000	2,000	0
Youth Initiative Grants	01	318	GO/UF	20,000	0	0	20,000	0	0
Library Accessibility Grants	03	280	GO	2,000	2,000	2,000	1,000	1,000	1,000
<b>Agency Totals</b>				<b>\$26,000</b>	<b>\$6,000</b>	<b>\$2,000</b>	<b>\$23,000</b>	<b>\$3,000</b>	<b>\$1,000</b>

**Children, Families and Learning**

51

**Corrections**

Inmate Bed Expansion (New Facility)	01	480	GO	99,999	0	0	99,999	0	0
Inmate Bed Expansion (New Beds)	02	430	GO	4,522	59,387	0	0	0	0
Inmate Bed Expansion (Brainerd)	04	405	GO	1,500	0	0	1,500	0	0
Health Services Center (Stillwater)	03	355	GO	23,799	0	0	2,581	23,100	0
Visiting Room Renovation (St. Cloud)	07	345	GO	2,381	0	0	2,381	0	0
Inmate Bed Expansion (Oak Park Heights)	09	340	GO	600	8,769	0	0	0	0
Construct Segregation Unit (Lino Lakes)	05	330	GO	6,214	0	0	842	5,880	0
Asset Preservation-Corrections	06	285	GO	3,000	3,000	3,000	2,000	2,000	2,000
Safety Imprvmts (St. Paul Ramsey Hosp)	08	270	GO	368	0	0	0	0	0
E House and Education (St. Cloud)	10	195	GO	200	2,133	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Corrections**

Replace Sewer Lines & Toilets (St. Cloud)	11	195	GO	300	3,200	0	0	0	0
Inmate Bed Expansion (Shakopee)		0	GO	0	8,410	0	0	0	0
Security Project (Faribault)		0	GO	0	5	345	0	0	0
Vocational/Industry Building (Red Wing)		0	GO	0	140	2,908	0	0	0
Replace Roads and Sidewalks (Red Wing)		0	GO	0	120	0	0	0	0
Administration Building (Lino Lakes)		0	GO	0	525	0	0	0	0
Remodel Q Building (Lino Lakes)		0	GO	0	500	0	0	0	0
Resident Infirmary Building E (Building)		0	GO	0	250	0	0	0	0
Addition to H Building (Lino Lakes)		0	GO	0	0	650	0	0	0
Multi-purpose Training Building (Lino Lakes)		0	GO	0	0	600	0	0	0
Remodel Dishwashing Area (Lino Lakes)		0	GO	0	0	250	0	0	0
Construct Activities Building (Willow River)		0	GO	0	415	0	0	0	0
Kitchen Expansion (Willow River)		0	GO	0	34	0	0	0	0
Building Maintenance Shop (Moose Lake)		0	GO	0	50	0	0	0	0
Vehicle Garage (Moose Lake)		0	GO	0	150	0	0	0	0
Consolidate Education/Demolish Annex		0	GO	0	585	0	0	0	0
Renovate Alcott Cottage (Sauk Centre)		0	GO	0	421	0	0	0	0
Renovate Lind Cottage (Sauk Centre)		0	GO	0	450	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Corrections**

Emergency Generator (Sauk Centre)	0	GO		0	250	0	0	0	0
Renovate Evers Cottage (Sauk Centre)	0	GO		0	0	375	0	0	0
New Maintenance Garage (Sauk Centre)	0	GO		0	0	120	0	0	0
Master Control Center/Renov-Repair	0	GO		0	8,328	0	0	0	0
Maximum Security Complex (Stillwater)	0	GO		0	24,088	0	0	0	0
Window, Screen, Door Replacement	0	GO		0	7,929	3,582	0	0	0
Tuckpointing (Stillwater)	0	GO		0	2,225	0	0	0	0
Industry Electrical Upgrade (Stillwater)	0	GO		0	788	0	0	0	0
Install New Generator (St. Cloud)	0	GO		0	648	0	0	0	0
Upgrade Security System (St. Cloud)	0	GO		0	695	0	0	0	0
Expand Administrative Services Building	0	GO		0	463	0	0	0	0
New Warehouse Building (St. Cloud)	0	GO		0	978	0	0	0	0
Install Loop Wiring (St. Cloud)	0	GO		0	217	0	0	0	0
Expand Administration Building Floor Space	0	GO		0	206	0	0	0	0
Facility Climate Control (St. Cloud)	0	GO		0	876	0	0	0	0
Remodel Area for Office Shop Area	0	GO		0	299	0	0	0	0
Expand Vocational Program (St. Cloud)	0	GO		0	600	5,450	0	0	0
Expand Intensive Care Unit (St. Cloud)	0	GO		0	97	880	0	0	0

**Funding Source**

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Corrections**

Administration Building Remodeling (St. Cloud)		0	GO	0	0	2,250	0	0	0
New Plant Operations Building (St. Cloud)		0	GO	0	218	1,970	0	0	0
Boiler Room Improvement (St. Cloud)		0	GO	0	0	195	0	0	0
Construct B-House Dayroom (St. Cloud)		0	GO	0	65	590	0	0	0
Complex Modification (Oak Park Heights)		0	GO	0	100	0	0	0	0
Outside Industry Warehouse (Moose Lake)		0	GO	0	35	552	0	0	0
<b>Agency Totals</b>				<b>\$142,883</b>	<b>\$137,649</b>	<b>\$23,717</b>	<b>\$109,303</b>	<b>\$30,980</b>	<b>\$2,000</b>

**Economic Security**

Head Start	01	402	GO	2,000	2,000	2,000	2,000	2,000	2,000
<b>Agency Totals</b>				<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>	<b>\$2,000</b>

**Funding Source**

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54

**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Environmental Assistance**

Solid Waste Processing Facilities Grants	01	470	GO/UF	16,600	25,900	12,000	8,000	8,000	8,000
<b>Agency Totals</b>				<b>\$16,600</b>	<b>\$25,900</b>	<b>\$12,000</b>	<b>\$8,000</b>	<b>\$8,000</b>	<b>\$8,000</b>

**Grants to Political Subdivisions**

Science Museum of Minnesota (St. Paul)	01	445	GO/UF/FF	33,800	0	0	33,800	0	0
Minneapolis Convention Center Expansion	01	275	GO	33,350	134,459	0	0	0	0
Lake Superior Center (Duluth)	01	272	GO/UF	14,000	0	0	14,000	0	0
Joint Facilities Predesign (Arden Hills)	01	255	GO	300	0	0	300	0	0
Southeast MN Public TV Project (Austin)	01	240	GO	1,112	0	0	0	0	0
South Metro Public Safety Building (Edina)	01	218	GO/UF/FF	2,000	0	0	0	0	0
Quarry Park & Nature Preserve (St. Cloud)	01	214	GO/UF	1,559	792	2,293	1,559	792	2,293
Heritage and Arts Center (Duluth)	01	210	GO/UF	3,000	0	0	0	0	0
Agassiz ELC (Fertile)	01	200	GO	5,557	0	0	0	0	0
Lawndale ELC (Herman)	01	200	GO	5,083	0	0	0	0	0
Ney ELC (Le Sueur)	01	200	GO	3,675	0	0	0	0	0
Prairie Woods ELC (Willmar)	01	200	GO	5,000	0	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Grants to Political Subdivisions**

Paramount Arts District Project (St. Cloud)	01	195	GO/UF	2,000	0	0	0	0	0
Laurentian ELC (ISD#621, Mounds View)	01	191	GO/UF	1,061	0	0	0	0	0
Prairieland Expo Center (Worthington)	01	175	GO/UF/FF	1,819	0	0	0	0	0
Streetscape Improvements (St. Cloud)	01	152	GO/UF	2,000	0	0	0	0	0
56 Farmamerica Visitor Center (Waseca)	01	125	GF	1,000	0	500	0	0	0
Pickwick Mill, Inc. (Winona)	01	125	GF	429	0	0	0	0	0
<b>Agency Totals</b>				<b>\$116,745</b>	<b>\$135,251</b>	<b>\$2,793</b>	<b>\$49,659</b>	<b>\$792</b>	<b>\$2,293</b>

**Historical Society**

Historic Sites Network Preservation	01	470	GO	4,665	2,500	2,000	2,000	2,000	2,000
County and Local Preservation Projects	03	381	GO/UF/FF	1,000	500	500	500	500	500
St. Anthony Falls Heritage Zone	04	298	GO/UF/FF	4,000	1,500	0	0	0	0
Historic Sites Network Master Planning	02	235	GF	350	0	0	0	0	0
North West Company Fur Post	05	235	GO	3,117	0	0	0	0	0
State Capitol Furnishings Restoration	06	225	GF	150	0	0	0	0	0
Historic Fort Snelling-Site Improvements	07	215	GO	475	0	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

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**Historical Society**

Oliver Kelley Farm Maintenance Building	09	180	GO	165	0	0	0	0	0
Heritage Trails Development	08	140	GO	300	0	0	0	0	0
Grand Mound Education Area		0	GO	0	350	0	0	0	0
Sibley Historic Site Preservation and Repair		0	GO	0	500	0	0	0	0
Split Rock Lighthouse Barn Reconstruction		0	GO	0	110	0	0	0	0
Birch Coulee Development		0	GO	0	206	0	0	0	0
Historic Forestville MHS/DNR Contact		0	GO	0	0	250	0	0	0
History Center Shelving for Storage Areas		0	GO	0	0	1,000	0	0	0
History Center Parking Ramp		0	GO	0	0	6,485	0	0	0
<b>Agency Totals</b>				<b>\$14,222</b>	<b>\$5,666</b>	<b>\$10,235</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>

**Housing Finance Agency**

Publicly Owned Transitional Housing	01	423	GO	2,500	2,500	2,500	2,500	2,500	2,500
<b>Agency Totals</b>				<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>	<b>\$2,500</b>

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57

**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

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**Human Services**

Asset Preservation - DHS	01	455	GO	8,182	7,680	7,661	2,000	2,000	2,000
AMRTC - Miller Building Renovation	05	375	GO	322	4,158	0	322	4,158	0
WRTC - Replace Fire Alarm/Detection	02	360	GO	837	0	0	0	0	0
BRHSC - Complete HVAC	06	275	GO	4,600	0	0	1,800	0	0
AGCC - Remodel Residential/Program	08	275	GO	402	4,321	2,538	0	0	0
CRHSC Design and Develop METO	03	240	GO	6,226	0	0	0	0	0
WRTC - Residential/Program Space	07	240	GO	2,771	4,823	0	16	0	0
FFRTC - Residential/Program/Ancillary	09	215	GO	85	9,674	7,165	0	0	0
CRHSC - Site/Building Modifications	10	215	GO	2,258	3,119	0	0	0	0
BRHSC - Construct Additional Parking	11	155	GO	150	0	0	0	0	0
CRHSC - MinnesotaCare Satellite Office	04	150	GO	425	0	0	0	0	0
AMRTC - Construct Additional 50-Bed		0	GO	0	375	5,000	0	0	0
BRHSC - Replace Tunnel Water-Proofing		0	GO	0	180	1,800	0	0	0
MNPPTC - Construct 50-Bed Addition		0	GO	0	360	4,500	0	0	0
SPRTC - Install Sprinkler System in		0	GO	0	800	0	0	0	0
SPRTC - Install Peak Saving Electrical		0	GO	0	1,300	0	0	0	0
SPRTC - Upgrade Administration Bldg		0	GO	0	10	500	0	0	0
SPRTC - Construct Vehicle Storage		0	GO	0	0	300	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

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<b>Agency Totals</b>				<b>\$26,258</b>	<b>\$36,800</b>	<b>\$29,464</b>	<b>\$4,138</b>	<b>\$6,158</b>	<b>\$2,000</b>

**Labor Interpretive Center**

Labor Interpretive Center	01	340	GO	11,200	0	0	0	11,200	0
<b>Agency Totals</b>				<b>\$11,200</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$11,200</b>	<b>\$0</b>

**MN State Colleges/Universities**

HEAPR - MnSCU	01	540	GO	35,600	30,000	30,000	<b>24,000</b>	24,000	24,000
Mankato SU - Hazardous Waste Facility	02	360	GO	270	0	0	0	0	0
Vermillion CC - Code & Infrastructure	07	300	GO	1,890	0	0	0	0	0
Minneapolis CC - Energy Plant	09	285	GO	4,330	0	0	0	0	0
ARCC - Energy Plant & Loading Dock	04	275		4,510	0	0	0	0	0
SCSU - Electrical Sys & Utility Tunnels	05	275	GO	7,000	0	0	0	0	0
Willmar TC - HVAC Modifications	10	265	GO	2,150	0	0	0	0	0
Mesabi CC - Code & Infrastructure	11	265	GO	1,230	0	0	0	0	0
Anoka-Ramsey CC - Addition & Remodeling	18	263	GO/UF	10,430	0	0	0	0	0
Staples TC-West Campus Classrooms	12	260	GO	225	1,650	0	0	0	0
Winona SU - Construct Chiller Plant	03	255	GO	2,200	0	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

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**MN State Colleges/Universities**

Hutchinson TC - HVAC Modifications	06	255	GO	2,000	0	0	0	0	0
Mankato SU - Construct Chiller Plant	08	250	GO	1,050	0	0	0	0	0
St. Paul TC - Remodeling	21	188	GO/UF	6,353	0	0	0	0	0
St. Cloud SU - Construct New Library	24	185	GO	29,995	0	0	29,995	0	0
Fond du Lac - Construct Student Housing	25	183	GO/UF	4,500	0	0	0	0	0
NHCC - Remodel & Construct LRC	17	178	GO/UF	3,980	0	0	0	0	0
Moorhead SU - Storm Drainage System	13	160	GO	1,800	0	0	0	0	0
Metro SU - Land Acquisition	14	158	GO/UF	3,400	0	0	0	0	0
Moorhead SU - Land Acquisition	15	158	GO/UF	1,400	0	0	0	0	0
St. Cloud SU - Land Acquisition	16	158	GO/UF	1,100	0	0	0	0	0
Metro SU-Bldg C, Power Plant Annex	19	153	GO/UF	3,800	0	0	0	0	0
Inver Hills CC - Construct Classroom & Lab	20	153	GO/UF	9,750	0	0	0	0	0
Systemwide - Predesign	23	100	GO/UF	2,000	0	0	0	0	0
Alexandria TC - Construct Parking Lot	22	60	GO/UF	300	0	0	0	0	0
Hutchinson TC - Addition & Remodeling		0	GO/UF	0	6,192	0	0	0	0
Hibbing TC - Integrated Campus		0	GO/UF	0	20,000	0	0	0	0
Minneapolis CC - Addition & Remodeling		0	GO/UF	0	23,310	0	0	0	0
Bemidji SU - Technology Center		0	GO/UF	0	20,185	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
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**MN State Colleges/Universities**

Duluth TC - Addition & Remodeling Phase 2	0	GO/UF	0	16,920	0	0	0	0	0
Lakewood CC - Addition & Remodeling	0	GO/UF	0	29,970	0	0	0	0	0
Vermillion CC - Addition & Remodeling	0	GO/UF	0	6,080	0	0	0	0	0
Northland CC - Student Services Addition &	0	GO/UF	0	7,181	0	0	0	0	0
Mesabi CC - Addition & Remodeling	0	GO/UF	0	5,810	0	0	0	0	0
Winona SU - Maxwell Library Remodeling	0	GO	0	5,000	0	0	0	0	0
Rochester TC - Campus Consolidation	0	GO/UF	0	22,000	0	0	0	0	0
Willmar TC - Student Services/Admin Bldg	0	GO/UF	0	12,367	0	0	0	0	0
North Hennepin - Fine Arts Addition &	0	GO/UF	0	2,800	0	0	0	0	0
Metro SU - Mpls/West Metro Area Campus	0	GO/UF	0	25,000	0	0	0	0	0
Inver Hills CC - Administration/Student Serv	0	GO/UF	0	12,720	0	0	0	0	0
Metro SU - Library at St. Paul Campus	0	GO	0	11,330	0	0	0	0	0
Faribault TC - Campus Addition	0	GO/UF	0	9,540	0	0	0	0	0
Moorhead SU - Construct 2 ITV Labs	0	GO/UF	0	500	0	0	0	0	0
Mankato SU - Construct Cogeneration	0	GO/UF	0	643	0	0	0	0	0
Moorhead SU - Construct Maintenance	0	GO/UF	0	150	0	0	0	0	0
Moorhead TC - Campus Addition Planning	0	GO/UF	0	8,745	0	0	0	0	0
Itasca CC - Addition & Remodeling	0	GO/UF	0	4,770	0	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

**FY 1996 - 2001**

**(By Agency & Scores)**

**Capital Budget Requests**

**(in \$000)**

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
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**MN State Colleges/Universities**

St Cloud TC - Remodeling, Phase 2	0	GO/UF	0	7,067	0	0	0	0	0
St Cloud SU - Instructional/Lab Space	0	GO/UF	0	100	0	0	0	0	0
Bemidji SU - Underground Fuel Storage	0	GO	0	0	1,050	0	0	0	0
Bemidji SU - Air Conditioning Loop	0	GO	0	0	2,100	0	0	0	0
Mankato SU - Highland Center	0	GO/UF	0	0	2,546	0	0	0	0
29 Moorhead SU - Nemzek Hall	0	GO/UF	0	0	8,200	0	0	0	0
Moorhead SU - Hagen Hall Remodeling	0	GO/UF	0	0	6,010	0	0	0	0
Northland CC - Remodeling	0	GO/UF	0	0	4,000	0	0	0	0
Southwest SU - Renewal of Existing	0	GO	0	0	1,293	0	0	0	0
Southwest SU - Bellows Academic Center	0	GO/UF	0	0	1,200	0	0	0	0
St Cloud SU - Riverview Hall Renovation	0	GO/UF	0	0	1,760	0	0	0	0
St Cloud SU - Eastman Hall Renovation	0	GO/UF	0	0	3,155	0	0	0	0
Winona SU - Pasteur Hall Remodeling	0	GO/UF	0	0	4,250	0	0	0	0
Winona SU - Phelps/Howell Hall	0	GO	0	0	4,000	0	0	0	0
Mankato SU - Armstrong Hall Remodeling	0	GO	0	0	2,800	0	0	0	0
Mankato SU - Meyers Field House	0	GO	0	0	2,783	0	0	0	0
Moorhead SU - Lommen Hall Remodeling	0	GO	0	0	3,550	0	0	0	0
St Cloud SU - Stadium, Track, & Tennis	0	GO	0	0	3,093	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

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**MN State Colleges/Universities**

St. Cloud SU - New Boiler Installation		0	GO	0	0	3,015	0	0	0
St. Cloud SU - Continuing Studies Center		0	GO/UF	0	0	3,015	0	0	0
St. Cloud SU - Halenbeck Hall Renovation		0	GO/UF	0	0	221	0	0	0
St. Cloud SU - Services Bldg		0	GO/UF	0	0	3,015	0	0	0
St. Cloud SU - National Hockey Center		0	GO/UF	0	0	3,015	0	0	0
Winona SU - Gildemeister Hall Remodeling		0	GO/UF	0	0	2,250	0	0	0
<b>Agency Totals</b>				<b>\$141,263</b>	<b>\$290,030</b>	<b>\$96,321</b>	<b>\$53,995</b>	<b>\$24,000</b>	<b>\$24,000</b>

**Military Affairs**

Renovation of (30) Kitchen Facilities	01	470	GO	400	450	55	400	450	55
Asset Preservation - Military Affairs	02	395	GO	532	600	750	532	600	750
Parking Area Repairs Statewide	03	165	GF	365	315	320	0	0	0
Demolition of the Park Rapids Armory	04	120	GO	190	0	0	0	0	0
Renovation of (14) Office Facilities	05	120	GO	381	141	158	0	0	0
<b>Agency Totals</b>				<b>\$1,868</b>	<b>\$1,506</b>	<b>\$1,283</b>	<b>\$932</b>	<b>\$1,050</b>	<b>\$805</b>

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

**FY 1996 - 2001**

**(By Agency & Scores)**

**Capital Budget Requests**

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**Natural Resources**

Dam Repair/Reconstruction/Removal	04	520	GO/LF	2,200	2,000	2,000	<b>1,200</b>	1,200	1,200
Statewide Asset Preservation - DNR	01	505	GO	7,000	7,000	7,800	<b>2,000</b>	2,000	2,000
State Park and Recreation Area Building	05	480	GO	4,006	3,000	3,000	<b>1,500</b>	1,500	1,500
State Park & Recreation Area Betterment	01	470	GO/GF	2,000	2,000	2,000	<b>1,500</b>	1,500	1,500
Trail Rehabilitation and Adaptation	03	470	GO/UF	500	1,000	1,000	<b>500</b>	500	500
Well Sealing & Inventory on DNR Land	02	465	GO/GF	700	900	0	<b>500</b>	500	500
Flood Hazard Mitigation Grants	05	420	GO/LF	3,960	4,000	4,000	<b>2,500</b>	2,500	2,500
Field Office Renovation	07	370	GO	1,000	2,541	5,915	<b>0</b>	0	0
Field Office Consolidation - New	03	360	GO	18,572	7,936	6,666	<b>7,080</b>	6,400	6,400
State Park & Recreation Area Building	06	350	GO	4,075	4,000	4,000	<b>1,000</b>	1,000	1,000
Forestry Roads & Bridges	06	350	GO	1,720	1,540	1,500	<b>250</b>	250	250
Forest Recreation Facility Rehabilitation	08	350	GO	510	500	500	<b>400</b>	400	400
RIM-Wildlife & Scientific & Nat Areas	10	330	GO	3,000	3,000	3,000	<b>1,330</b>	1,330	1,330
RIM Wildlife & Nat Area Land Acquisition	14	322	GO/UF/FF	6,000	6,000	6,000	<b>2,400</b>	2,400	2,400
St. Louis River Land Acquisition	13	318	GO/UF	2,200	0	0	<b>2,200</b>	0	0
Office Consolidation - Completions	02	310	GO	2,155	0	0	<b>2,155</b>	0	0
Water Access Rehabilitation	11	305	GO/LF/FF	1,000	1,000	1,000	<b>500</b>	500	500
Trail Acquisition Development & Betterment	16	305	GO	5,500	5,000	5,000	<b>3,500</b>	3,500	3,500

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

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

Fish & Wildlife Fish Culture Rehabilitation	07	300	GO	1,008	500	500	500	500	500
State Park & Recreation Area Acquisition	17	285	GO	4,000	4,000	4,000	0	0	0
Office Facility Consolidation - Predesign	04	265	GO	392	0	0	100	0	0
Metro Park Bldg Rehab & Development	05	265	GO/UF	783	4,503	696	0	0	0
Water Access Acquisition & Betterment	12	265	GO/LF/FF	3,000	3,000	3,000	0	0	0
Metropolitan Regional Park Acquisition	02	265	GO/LF	2,444	2,907	2,925	0	0	0
Metro Park Non-Bldg Redevelopment	03	265	GO/LF	4,446	4,356	2,370	4,450	4,450	4,450
Metro Park Non-Bldg Development	04	265	GO/LF	7,870	6,795	8,999	0	0	0
RIM-Fish & Wildlife Fisheries Improvement	09	260	GO	505	500	500	500	500	500
RIM Fish & Wildlife Fisheries Acquisition	15	235	GO	3,000	500	500	500	500	500
State Forest Land Acquisition	18	220	GO	2,000	1,000	1,000	0	0	0
Lake Superior Harbors	19	205	GO	1,500	3,270	6,400	0	0	0
Local Recreation Grants	01	200	GO/LF	1,800	1,800	1,800	0	0	0
Statewide Storage Facilities	08	155	GO	1,017	850	850	0	0	0
Minnesota State Fairgrounds	20	105	GO/UF	60	0	0	0	0	0
<b>Agency Totals</b>				<b>\$99,923</b>	<b>\$85,398</b>	<b>\$86,921</b>	<b>\$36,565</b>	<b>\$31,430</b>	<b>\$31,430</b>

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 -2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Pollution Control Agency**

Red Wing Combined Sewer Overflow	02	400	GO/UF	3,349	0	0	3,349	0	0
Automated Water Quality Monitoring	01	360	GF	200	0	0	200	0	0
<b>Agency Totals</b>				<b>\$3,549</b>	<b>\$0</b>	<b>\$0</b>	<b>\$3,549</b>	<b>\$0</b>	<b>\$0</b>

**Public Safety**

License Exam Stations Improvements	01	325	THF	1,185	0	0	1,185	0	0
<b>Agency Totals</b>				<b>\$1,185</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,185</b>	<b>\$0</b>	<b>\$0</b>

**Public Service**

Energy Investment Loans	01	475	GO/UF	11,610	8,125	8,290	4,000	4,000	4,000
<b>Agency Totals</b>				<b>\$11,610</b>	<b>\$8,125</b>	<b>\$8,290</b>	<b>\$4,000</b>	<b>\$4,000</b>	<b>\$4,000</b>

**Funding Source**

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Residential Academies**

Asset Preservation-Res Academies	01	455	GO	1,000	1,000	1,000	935	1,000	1,000
Replace Sidewalks on MSAB Campus	02	380	GF	67	0	0	67	0	0
Dow Hall, Old Industrial Bldg., Parking	03	370	GO	1,184	0	0	1,184	0	0
Renovate West Cottage	07	315	GO	10	1,312	0	0	0	0
Add'l Bathrooms in New MSAB Education	08	260	GO	76	0	0	0	0	0
New Exterior Lighting on MSAD and MSAB	04	260	GO	556	0	0	0	0	0
Technology Upgrade	05	225	GF	8	500	0	0	0	0
Administrative Support Services Expansion	09	180	GO	25	225	0	0	0	0
New Vehicle Garage on MSAB Campus	06	145	GO	76	0	0	0	0	0
Air Conditioning Frechette Hall/Tate Hall	10	120	GO	85	723	0	0	0	0
New Gymnasium & Swimming Pool - MSAD	11	100	GO	17	3,358	0	0	0	0
Activities Addition Frechette Hall		0	GO	0	5	250	0	0	0
Emergency Backup Generator MSAD		0	GO	0	10	865	0	0	0
Greenhouse MSAB		0	GO	0	5	50	0	0	0
Renovate Old Laundry Building MSAD		0	GO	0	7	650	0	0	0
New Theater/Auditorium MSAD		0	GO	0	12	1,120	0	0	0
<b>Agency Totals</b>				<b>\$3,104</b>	<b>\$7,157</b>	<b>\$3,935</b>	<b>\$2,186</b>	<b>\$1,000</b>	<b>\$1,000</b>

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Trade and Economic Development**

Water Pollution Control Revolving Fund	01	541	GO/UF/FF	7,900	12,200	0	4,000	4,000	0
Drinking Water Revolving Fund	02	464	GO/UF/FF	7,350	6,000	6,000	2,000	2,000	2,000
Wastewater Infrastructure Fund Grants	03	345	GO	17,000	20,000	20,000	2,000	2,000	2,000
<b>Agency Totals</b>				<b>\$32,250</b>	<b>\$38,200</b>	<b>\$26,000</b>	<b>\$8,000</b>	<b>\$8,000</b>	<b>\$4,000</b>

**Transportation**

Bridge Replacement & Rehabilitation	02	460	GO/FF/UF	66,000	66,000	66,000	10,000	10,000	10,000
Metro Public Safety Radio System	01	455	GO/UF	15,000	0	0	15,000	0	0
Bemidji Headquarters Replacement	01	380	THF	9,000	0	0	9,000	0	0
Asbestos Removal & Site Survey	12	365	THF	225	250	250	225	250	250
Chemical/Salt Storage Buildings	02	360	THF	1,014	796	508	1,014	796	508
Deer Lake Truck Station-Replacement	05	355	THF	644	0	0	644	0	0
Pipestone Truck Station-Replacement	04	320	THF	520	0	0	520	0	0
Rushford Truck Station-Replacement	06	295	THF	663	0	0	663	0	0
Hastings Truck Station-Addition	10	295	THF	1,362	0	0	1,362	0	0
Central Services Building-Addition	07	280	THF	855	0	0	855	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Transportation**

Gaylord Truck Station-Replacement	11	270	THF	680	0	0	<b>680</b>	0	0
Rochester Headquarters Patrol Office	03	255	THF	1,260	0	0	<b>1,260</b>	0	0
Port Development Assistance Program	03	255	GO/UF	5,334	6,000	8,000	<b>3,000</b>	3,000	3,000
Garrison Truck Station-Addition	09	245	THF	206	0	0	<b>206</b>	0	0
Class II Safety Rest Area Development	18	230	THF	120	0	0	<b>120</b>	0	0
Hibbing Truck Station-Replacement	13	220	THF	1,237	0	0	<b>1,237</b>	0	0
Long Prairie Truck Station-Addition	14	220	THF	215	0	0	<b>215</b>	0	0
Forest Lake Truck Station-Addition	15	195	THF	451	0	0	<b>451</b>	0	0
Erskine Truck Station-Addition	16	195	THF	300	0	0	<b>300</b>	0	0
Dilworth Truck Station-Addition	17	195	THF	514	0	0	<b>514</b>	0	0
Pole Type Storage Buildings	19	195	THF	387	401	192	<b>387</b>	401	192
Design Fees	08	155	THF	677	0	0	<b>677</b>	0	0
Land Acquisitions (1 Site in 1996)	20	105	THF	200	350	0	<b>200</b>	350	0
North Branch Truck Station-Addition		0	THF	0	436	0	<b>0</b>	0	0
St. Cloud Maintenance		0	THF	0	7,296	0	<b>0</b>	0	0
Duluth Headquarter-Field Maintenance		0	THF	0	1,200	0	<b>0</b>	0	0
Fort Snelling Truck Station-Replacement		0	THF	0	2,100	0	<b>0</b>	0	0
Glencoe Truck Station-Replacement		0	THF	0	575	0	<b>0</b>	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Transportation**

Illgen City Truck Station-Replacement	0	THF		0	576	0	0	0	0
Perham Truck Station-Replacement	0	THF		0	580	0	0	0	0
Design Fees-F.Y. 1998	0	THF		0	253	0	0	0	0
Ada Truck Station-Addition	0	THF		0	215	0	0	0	0
Remer Truck Station-Addition	0	THF		0	215	0	0	0	0
Hallock Truck Station-Addition	0	THF		0	215	0	0	0	0
Alexandria Truck Station-Addition	0	THF		0	450	0	0	0	0
Elk River Truck Station-Addition	0	THF		0	285	0	0	0	0
Hader Vicinity Safety Rest Area, T.H. 52	0	THF		0	280	0	0	0	0
Class II Safety Rest Area Development	0	THF		0	160	0	0	0	0
Land Acquisitions-F.Y. 1998	0	THF		0	350	0	0	0	0
Jordan Truck Station-Replacement	0	THF		0	1,526	0	0	0	0
Golden Valley Headquarters-Shop/Vehicle	0	THF		0	0	7,333	0	0	0
Northfield Truck Station-Replacement	0	THF		0	0	600	0	0	0
Isle Truck Station-Addition	0	THF		0	0	140	0	0	0
Northhome Truck Station-Addition	0	THF		0	0	200	0	0	0
Blue Earth Truck Station-Addition	0	THF		0	0	178	0	0	0
Little Falls Truck Station-Addition	0	THF		0	0	173	0	0	0

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70

**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Transportation**

Detroit Lakes Headquarters-Addition & Design Fees-F.Y. 2000		0	THF	0	156	6,100	0	0	0
Madelia Truck Station-Replacement		0	THF	0	0	439	0	0	0
Windom Headquarters-Warm		0	THF	0	0	825	0	0	0
Staples Vicinity Safety Rest Area, T.H.		0	THF	0	0	280	0	0	0
Class II Safety Rest Area Development		0	THF	0	0	160	0	0	0
Federal Aid Demonstration Projects		0	GO/FF/UF	0	3,200	0	0	0	0
<b>Agency Totals</b>				<b>\$106,864</b>	<b>\$93,865</b>	<b>\$91,990</b>	<b>\$48,530</b>	<b>\$14,797</b>	<b>\$13,950</b>

**University of Minnesota**

HEAPR - Health and Safety Improvements	01	540	GO	24,500	20,000	20,000	18,000	18,000	18,000
HEAPR - Facility Renewal	02	420	GO	32,500	30,000	30,000	6,000	6,000	6,000
Minnesota Library Access Center (MLAC)	03	390	GO/UF	43,150	0	0	43,150	0	0
Morris Science Addition and Renovation	06	285	GO	3,000	24,945	9,739	0	0	0
Architecture Renovation and Addition	08	258	GO/UF	0	0	0	21,027	0	0
Duluth Library	05	230	GO	20,000	0	0	0	0	0

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

(By Agency & Scores)

Capital Budget Requests

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**University of Minnesota**

Willmar Poultry Testing Laboratory	09	215	GO	0	0	0	104	0	0
Crookston Controlled Environmental	04	180	GO	3,050	0	0	0	0	0
Academic Health Center, Centers of	07	100	GO/UF	6,500	0	0	9,500	0	0
<b>Agency Totals</b>				<b>\$132,700</b>	<b>\$74,945</b>	<b>\$59,739</b>	<b>\$97,781</b>	<b>\$24,000</b>	<b>\$24,000</b>

72

**Veterans Homes Board**

Dementia Unit Wander Area - Silver Bay	01	325	GO	242	0	0	242	0	0
Electrical Generator - Hastings	03	285	GO	509	0	0	0	0	0
Power Plant Renovation - Hastings	04	260	GO	2,597	0	0	0	0	0
Campus Renovation - Hastings	05	235	GO	1,267	2,326	0	0	0	0
Asset Preservation - Veterans Homes	06	235	GO	650	622	0	500	500	0
Maintenance/Storage/Warehouse - Silver	02	205	GO	368	0	0	0	0	0
<b>Agency Totals</b>				<b>\$5,633</b>	<b>\$2,948</b>	<b>\$0</b>	<b>\$742</b>	<b>\$500</b>	<b>\$0</b>

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**STATE OF MINNESOTA**

**APPENDIX D**

**Governor's Recommendations**

FY 1996 - 2001

Capital Budget Requests

(By Agency & Scores)

(in \$000)

Project Description	Agency Priority	Strategic Score	Funding Source	Agency Request			Governor's Recommendation	Governor's Planning Estimates	
				FY 96	FY 98	FY 00	FY 96	FY 98	FY 00

**Water & Soil Resources Board**

RIM Reserve Program & Permanent	01	380	GO/UF/FF	22,626	19,706	16,374	<b>7,500</b>	7,500	7,500
Area II Minnesota River Basin Grant-in-Aid	03	315	GO/UF	1,650	2,175	1,575	<b>750</b>	750	750
Erosion Control Cost Share	02	280	GO/UF/FF	1,200	1,500	1,200	<b>0</b>	0	0
Abandoned Well Sealing	04	160	GO/UF	250	250	250	<b>0</b>	0	0
<b>Agency Totals</b>				<b>\$25,726</b>	<b>\$23,631</b>	<b>\$19,399</b>	<b>\$8,250</b>	<b>\$8,250</b>	<b>\$8,250</b>

73

**Zoological Gardens**

Roadways and Pathways	01	420	GO	6,050	6,034	391	<b>750</b>	750	750
Children's Farm	02	295	GO/UF	1,750	0	0	<b>0</b>	0	0
Water Management		0	GO	0	700	0	<b>0</b>	0	0
Gateway to the Zoo		0	GO	0	6,000	0	<b>0</b>	0	0
Bird Holding		0	GO	0	780	0	<b>0</b>	0	0
Greenhouse		0	GO	0	0	275	<b>0</b>	0	0
<b>Agency Totals</b>				<b>\$7,800</b>	<b>\$13,514</b>	<b>\$666</b>	<b>\$750</b>	<b>\$750</b>	<b>\$750</b>

<b>Grand Totals</b>	<b>1,118,558</b>	<b>1,300,093</b>	<b>\$734,546</b>	<b>587,994</b>	<b>357,656</b>	<b>165,278</b>
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**STATE OF MINNESOTA**  
**FY 1996 - 2001**  
**Capital Budget Requests**

**APPENDIX E**

**Governor's Recommendations**  
**(Rank Ordered By Strategic Score)**  
**(in \$000)**

<b>Agency</b>	<b>FY 96-97</b>	<b>Project Description</b>	<b>Strategic Score</b>	<b>Agency Request</b>	<b>Governor's Recommendations</b>
Trade and Economic Development	\$7,900	Water Pollution Control Revolving Fund	541	7,900	4,000
Administration	\$25,000	Statewide CAPRA-Admin	540	25,000	16,000
Administration	\$20,000	Statewide Building Access-Admin	540	20,000	10,000
MN State Colleges/Universities	\$35,600	HEAPR - MnSCU	540	35,600	24,000
University of Minnesota	\$24,500	HEAPR - Health and Safety Improvements	540	24,500	18,000
Natural Resources	\$2,200	Dam Repair/Reconstruction/Removal	520	2,200	1,200
Natural Resources	\$7,000	Statewide Asset Preservation - DNR	505	7,000	2,000
Corrections	\$99,999	Inmate Bed Expansion (New Facility)	480	99,999	99,999
Natural Resources	\$4,006	State Park and Recreation Area Building Rehabilitation	480	4,006	1,500
Public Service	\$11,610	Energy Investment Loans	475	11,610	4,000
Military Affairs	\$400	Renovation of (30) Kitchen Facilities	470	400	400
Environmental Assistance	\$16,600	Solid Waste Processing Facilities Grants	470	16,600	8,000
Natural Resources	\$2,000	State Park & Recreation Area Betterment Rehabilitation	470	2,000	1,500
Natural Resources	\$500	Trail Rehabilitation and Adaptation	470	500	500
Historical Society	\$4,665	Historic Sites Network Preservation	470	4,665	2,000
Natural Resources	\$700	Well Sealing & Inventory on DNR Land	465	700	500
Trade and Economic Development	\$7,350	Drinking Water Revolving Fund	464	7,350	2,000
Transportation	\$66,000	Bridge Replacement & Rehabilitation	460	66,000	10,000
Human Services	\$8,182	Asset Preservation - DHS	455	8,182	2,000
Transportation	\$15,000	Metro Public Safety Radio System	455	15,000	15,000
Residential Academies	\$1,000	Asset Preservation-Res Academies	455	1,000	935
Capital Area Arch. Plan Board	\$12,700	Capitol Building: Structural Stabilization	455	12,700	4,800
Administration	\$5,525	Renovate Transportation, Phase 4	450	5,525	5,525

75

**STATE OF MINNESOTA**

**FY 1996 - 2001**

**Capital Budget Requests**

**APPENDIX E**

**Governor's Recommendations**

**(Rank Ordered By Strategic Score)**

**(in \$000)**

<b>Agency</b>	<b>FY 96-97</b>	<b>Project Description</b>	<b>Strategic Score</b>	<b>Agency Request</b>	<b>Governor's Recommendations</b>
Grants to Political Subdivisions	\$33,800	Science Museum of Minnesota (St. Paul)	445	33,800	33,800
Agriculture	\$41,000	Rural Finance Authority Loan Participations	425	41,000	41,000
Housing Finance Agency	\$2,500	Publicly Owned Transitional Housing Program	423	2,500	2,500
Zoological Gardens	\$6,050	Roadways and Pathways	420	6,050	750
Natural Resources	\$3,960	Flood Hazard Mitigation Grants	420	3,960	2,500
University of Minnesota	\$32,500	HEAPR - Facility Renewal	420	32,500	6,000
Corrections	\$1,500	Inmate Bed Expansion (Brainerd)	405	1,500	1,500
Economic Security	\$2,000	Head Start	402	2,000	2,000
76 Pollution Control Agency	\$3,349	Red Wing Combined Sewer Overflow	400	3,349	3,349
Administration	\$1,744	Renovate Capitol Area Elevators	400	1,744	1,744
Administration	\$5,148	Agency Relocation	400	5,148	2,454
Military Affairs	\$532	Asset Preservation - Military Affairs	395	532	532
Center for Arts Education	\$366	Asset Preservation-Arts Center	395	366	366
University of Minnesota	\$43,150	Minnesota Library Access Center (MLAC)	390	43,150	43,150
Historical Society	\$1,000	County and Local Preservation Projects	381	1,000	500
Transportation	\$9,000	Bemidji Headquarters Replacement	380	9,000	9,000
Residential Academies	\$67	Replace Sidewalks on MSAB Campus	380	67	67
Water & Soil Resources Board	\$22,626	RIM Reserve Program & Permanent Wetlands Preserve (PWP) Prog	380	22,626	7,500
Human Services	\$322	AMRTC - Miller Building Renovation	375	322	322
Residential Academies	\$1,184	Dow Hall, Old Industrial Bldg., Parking	370	1,184	1,184
Transportation	\$225	Asbestos Removal & Site Survey	365	225	225
Pollution Control Agency	\$200	Automated Water Quality Monitoring System	360	200	200
Transportation	\$1,014	Chemical/Salt Storage Buildings	360	1,014	1,014

**STATE OF MINNESOTA**  
**FY 1996 - 2001**  
**Capital Budget Requests**

**APPENDIX E**

**Governor's Recommendations**  
**(Rank Ordered By Strategic Score)**  
**(in \$000)**

Agency	FY 96-97	Project Description	Strategic Score	Agency Request	Governor's Recommendations
Natural Resources	\$18,572	Field Office Consolidation - New Construction	360	18,572	7,080
Corrections	\$23,799	Health Services Center (Stillwater)	355	23,799	2,581
Transportation	\$644	Deer Lake Truck Station-Replacement	355	644	644
Natural Resources	\$4,075	State Park & Recreation Area Building Development	350	4,075	1,000
Natural Resources	\$1,720	Forestry Roads & Bridges	350	1,720	250
Natural Resources	\$510	Forest Recreation Facility Rehabilitation	350	510	400
Corrections	\$2,381	Visiting Room Renovation (St. Cloud)	345	2,381	2,381
Children, Families and Learning	\$4,000	School Building Accessibility Grants	345	4,000	2,000
Trade and Economic Development	\$17,000	Wastewater Infrastructure Fund Grants	345	17,000	2,000
Corrections	\$6,214	Construct Segregation Unit (Lino Lakes)	330	6,214	842
Administration	\$4,000	New Health Building & Ramp	330	4,000	4,900
Natural Resources	\$3,000	RIM-Wildlife & Scientific & Nat Areas Devel/Habit Imprvmt	330	3,000	1,330
Public Safety	\$1,185	License Exam Stations Improvements	325	1,185	1,185
Veterans Homes Board	\$242	Dementia Unit Wander Area - Silver Bay	325	242	242
Natural Resources	\$6,000	RIM Wildlife & Nat Area Land Acquisition	322	6,000	2,400
Transportation	\$520	Pipestone Truck Station-Replacement	320	520	520
Natural Resources	\$2,200	St. Louis River Land Acquisition	318	2,200	2,200
Children, Families and Learning	\$20,000	Youth Initiative Grants	318	20,000	20,000
Water & Soil Resources Board	\$1,650	Area II Minnesota River Basin Grant-in-Aid Program	315	1,650	750
Natural Resources	\$2,155	Office Consolidation - Completions	310	2,155	2,155
Administration	\$1,850	New Revenue Office Building	305	1,850	1,850
Natural Resources	\$1,000	Water Access Rehabilitation	305	1,000	500
Administration	\$8,088	Support Services Facility	305	8,088	8,088

77

**STATE OF MINNESOTA**

**FY 1996 - 2001**

**Capital Budget Requests**

**APPENDIX E**

**Governor's Recommendations**

**(Rank Ordered By Strategic Score)**

**(in \$000)**

<b>Agency</b>	<b>FY 96-97</b>	<b>Project Description</b>	<b>Strategic Score</b>	<b>Agency Request</b>	<b>Governor's Recommendations</b>
Natural Resources	\$5,500	Trail Acquisition Development & Betterment	305	5,500	3,500
Natural Resources	\$1,008	Fish & Wildlife Fish Culture Rehabilitation	300	1,008	500
Transportation	\$663	Rushford Truck Station-Replacement	295	663	663
Transportation	\$1,362	Hastings Truck Station-Addition	295	1,362	1,362
Corrections	\$3,000	Asset Preservation-Corrections	285	3,000	2,000
Administration	\$1,635	Electrical Utility Infrastructure - Phase 2	280	1,635	1,635
Transportation	\$855	Central Services Building-Addition	280	855	855
Children, Families and Learning	\$2,000	Library Accessibility Grants	280	2,000	1,000
Human Services	\$4,600	BRHSC - Complete HVAC	275	4,600	1,800
Grants to Political Subdivisions	\$14,000	Lake Superior Center (Duluth)	272	14,000	14,000
Amateur Sports Commission	\$9,000	"Mighty Ducks" Community Ice Center Grants	271	9,000	18,800
Center for Arts Education	\$612	Delta Dormitory Upgrades	270	612	612
Administration	\$2,655	Travel Management Facility	270	2,655	2,655
Transportation	\$680	Gaylord Truck Station-Replacement	270	680	680
Natural Resources	\$392	Office Facility Consolidation - Predesign	265	392	100
Natural Resources	\$4,446	Metro Park Non-Bldg Redevelopment	265	4,446	4,450
Natural Resources	\$505	RIM-Fish & Wildlife Fisheries Improvement	260	505	500
University of Minnesota	\$0	Architecture Renovation and Addition	258	0	21,027
Transportation	\$1,260	Rochester Headquarters Patrol Office Addition	255	1,260	1,260
Transportation	\$5,334	Port Development Assistance Program	255	5,334	3,000
Grants to Political Subdivisions	\$300	Joint Facilities Predesign (Arden Hills)	255	300	300
Transportation	\$206	Garrison Truck Station-Addition	245	206	206
Human Services	\$2,771	WRTC - Residential/Program Space Remodeling	240	2,771	16

**STATE OF MINNESOTA**  
**FY 1996 - 2001**  
**Capital Budget Requests**

**APPENDIX E**

**Governor's Recommendations**  
**(Rank Ordered By Strategic Score)**  
**(in \$000)**

<b>Agency</b>	<b>FY 96-97</b>	<b>Project Description</b>	<b>Strategic Score</b>	<b>Agency Request</b>	<b>Governor's Recommendations</b>
Natural Resources	\$3,000	RIM Fish & Wildlife Fisheries Acquisition	235	3,000	500
Veterans Homes Board	\$650	Asset Preservation - Veterans Homes	235	650	500
Transportation	\$120	Class II Safety Rest Area Development Program	230	120	120
Transportation	\$1,237	Hibbing Truck Station-Replacement	220	1,237	1,237
Transportation	\$215	Long Prairie Truck Station-Addition	220	215	215
University of Minnesota	\$0	Willmar Poultry Testing Laboratory	215	0	104
Grants to Political Subdivisions	\$1,559	Quarry Park & Nature Preserve (St.Cloud)	214	1,559	1,559
Transportation	\$451	Forest Lake Truck Station-Addition	195	451	451
Transportation	\$300	Erskine Truck Station-Addition	195	300	300
Transportation	\$514	Dilworth Truck Station-Addition	195	514	514
Transportation	\$387	Pole Type Storage Buildings	195	387	387
MN State Colleges/Universities	\$29,995	St. Cloud SU - Construct New Library	185	29,995	29,995
Transportation	\$677	Design Fees	155	677	677
Transportation	\$200	Land Acquisitions (1 Site in 1996)	105	200	200
University of Minnesota	\$6,500	Academic Health Center, Centers of Excellence Facilities	100	6,500	9,500



## APPENDIX F QUALIFICATION AND STRATEGIC SCORING

Each capital budget request for cash or bonding authority 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 second capital budget to incorporate qualification and scoring. This method of scoring was first initiated in the 1994 capital budget cycle.

### QUALIFICATION

Qualification assesses the completeness and coherence of a capital request in a variety of areas. Admin and DOF assists each request in achieving qualification, whenever possible. Standard criteria applied objectively are used to assess the adequacy of project information supplied to DOF and Admin.

Key requirements include: 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, estimates of operating costs, provision of facility audit information, implementation of a proper planning and design process, and incorporation of generally accepted cost planning standards and practices.

After qualification review, projects progress to the scoring stage. Qualification by itself does not earn any points in the strategic score.

### STRATEGIC SCORING

All agency capital budget requests have been assigned a strategic score by the Department of Finance. This score measures 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.* Strategic scores cannot identify 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. Projects can receive a full 700 points if they are of a critical nature or satisfy all requirements of the strategic scoring criteria. Critical projects are those which present a critical life safety hazard, a documented legal liability or represent a prior binding commitment. 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. An example of critical legal liability would be needed repairs for which a local building inspector or fire Marshall had issued a major citation for immediate corrective action.

## 1996 Capital Budget Executive Summary

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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 to be unavoidable.

Strategic criteria evaluate each project's strategic need and value. Projects may receive from 0 to 700 points depending upon how closely each project meets various strategic criteria.

*Strategic linkage* evaluates projects on how closely the request is linked to the agency's strategic mission, six-year capital plan, or formal state policies. *Safety concerns* evaluate elements of the request that address safety issues, but are not of the same urgency as critical emergencies. Projects with safety concerns are important requests but remain optional decisions.

*Customer services/statewide significance* awards points depending upon how strongly the project will improve services for citizens of Minnesota. This benchmark measures the level of customer service improvements, as well as the geographic dispersion of benefits (e.g., the entire state and its citizens, a particular region of the state, or primarily a local community). Most capital projects will have some benefit spillover effects across jurisdictions, but the central issue is which citizens or area will receive primary benefits and services.

*Agency priority* criteria recognizes the importance of agency priority setting and provides up to 100 points based on the quartile of the project within an agency's overall priority rankings. Grants to political subdivisions which do not go through an agency prioritization process each received 50 points, which represents a midpoint score.

*User and non-state financing* points were awarded to projects depending on the percentage of user financing, non-state funding, private contributions, or matching funds that can be applied against total project costs. Projects which concentrated on the maintenance, repair or adaptive re-use of existing state assets were awarded points in the category of *asset preservation*. Projects undertaken purely for purposes of asset management received more points, while mixed projects that combined lesser amounts of asset management with adaptive facility re-use for programmatic purposes received some, but fewer points.

In order to encourage and reward capital budget requests that produce *operating savings or operating efficiencies* in the state's operating budget, up to 60 points were awarded to projects that demonstrate a reduction in net operating costs or result in increased efficiencies.



Finally, projects that were included both in agency six-year strategic plans and are identified in the state's *six-year planning estimates* (as prepared by DOF based on previous legislative action) received 50 points. Planning estimates are outyear costs including split construction appropriations, future construction estimates associated with projects currently in the design phase or recommended for design funding, and multi-year non-building programs generally straight-lined at current funding levels.

CAPITAL PROJECT SCORING CRITERIA	RATINGS	VALUES	MAXIMUM SCORE
<b>I. CRITICAL</b>			
Critical Life Safety Emergency	Yes/No	700/0	700
Critical Legal Liability	Yes/No	700/0	700
Prior Binding Commitment	Yes/No	700/0	700
Maximum Critical Score			700
<b>II. STRATEGIC</b>			
Strategic Linkage	0/1/2/3	0/40/80/120	120
Safety Concerns	0/1/2/3	0/35/70/105	105
Customer Services/Statewide Significance	0/1/2/3	0/35/70/105	105
Agency Priority	1-4 Quartile	25/50/75/100	100
User and Non-State Financing	0-100%	0-100	100
Asset Management	0/1/2/3	0/20/40/60	60
Operating Savings or Efficiencies	0/1/2/3	0/20/40/60	60
Contained in Statewide Six-Year Plan	Yes/No	50/0	50
Maximum Strategic Score			700
<b>Maximum Score (All Criteria)</b>			<b>700</b>

