



A Summary of the 2010 Session Capital Budget

*Money Matters 10.05
July 2010*

This paper summarizes the Capital Budget passed by the 2010 Legislature. Part one provides an overview of the capital budget. Part two provides details of the enacted bills organized according to the jurisdictions of the House of Representatives' fiscal committees.

Overview of the 2010 Capital Budget	1
Detailed by Budget Area	
Agriculture, Rural Economies and Veterans Affairs	5
Cultural & Outdoor Resources	7
Early Childhood Education	9
Environment and Natural Resources	11
Health & Human Services	17
Higher Education & Workforce Development	19
Housing	25
K-12 Education	27
Public Safety	29
State Government	31
Transportation	33
Spreadsheet for Chapter 189	37

This page intentionally left blank

Capital Budget Overview

The Legislature approved a total of \$1.2 billion in projects in the 2010 capital budget (2010 Session, Chapters 189 and 388), but the Governor vetoed \$368 million of those projects, for a total of \$835 million in capital projects funded. For the enacted appropriations, new general obligation (GO) bond spending, or bonds supported by the state's general fund, totaled \$695 million. The budget also included \$18 million in user-financed bonds, \$23 million in trunk highway fund cash, \$127 million in trunk highway bonds, and \$28 million in cancellations. Below is a brief look at the capital budget appropriations by finance area.

2010 Capital Budget Appropriations, All Sources <i>(dollars in thousands)</i>			
Finance Area	Conference Report	Governor's Vetoes	Enacted
Agriculture, Rural Economies, and Veterans	\$13,900	\$ -	\$13,900
Economic and Workforce Development	\$121,965	\$65,765	\$56,200
Environment and Natural Resources	\$203,629	\$59,273	\$144,356
Health Care and Human Services	\$66,625	\$2,000	\$64,625
Higher Education	\$339,921	\$144,085	\$195,836
Housing and Public Health	\$10,000	\$10,000	\$ -
K-12 Education	\$11,653	\$7,780	\$3,873
Cultural and Outdoor Heritage	\$100,207	\$12,857	\$87,350
Public Safety	\$38,829	\$5,000	\$33,829
State Government	\$23,075	\$1,000	\$22,075
Transportation	\$299,727	\$60,200	\$239,527
Cancellations	(\$27,562)	\$ -	(\$27,562)
Bond Sale Expenses	\$1,179	\$ -	\$1,179
Total	\$1,203,148	\$367,960	\$835,188

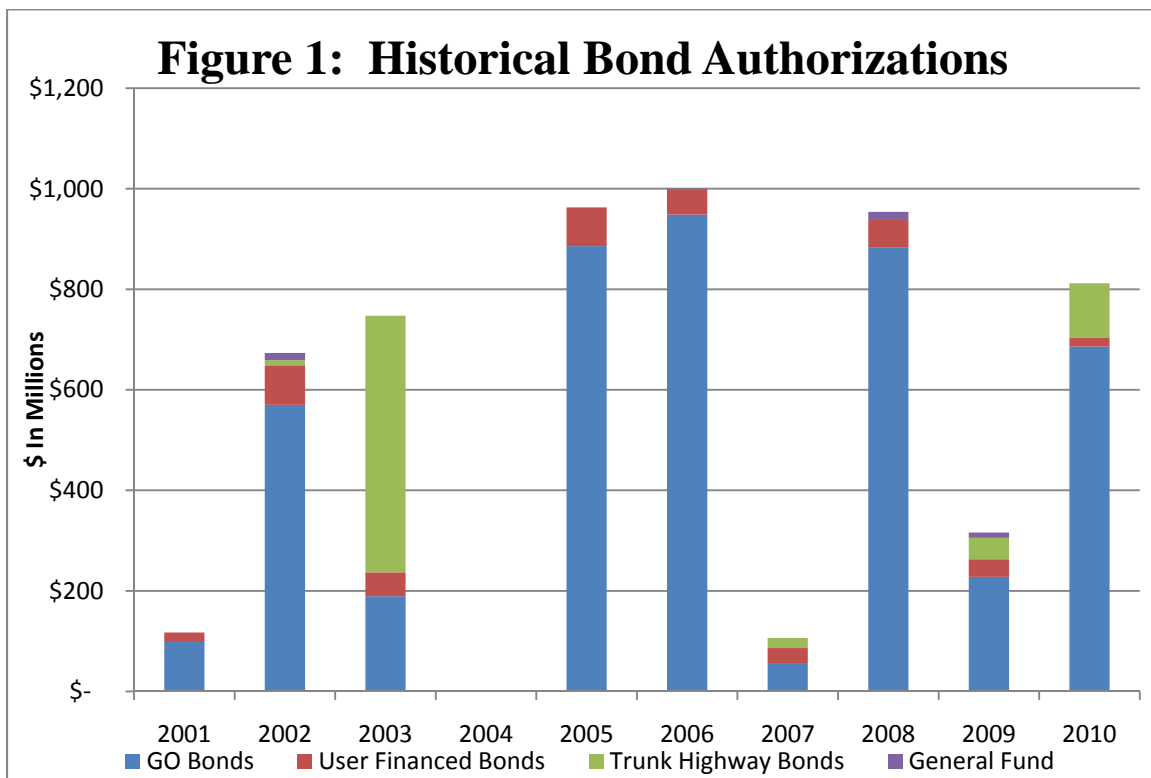
Planning estimates included in the February 2010 forecast for the 2010 capital budget set aside sufficient debt service for \$725 million in general obligation bonding. As noted above, \$695 million in new GO bonds were authorized. In addition, \$9 million in past projects were cancelled, totaling \$686 million in GO bonding during the 2010 session. Since total GO bonding was less than the amount included in the February 2010 forecast, the general fund is expected to save \$350,000 in the FY 2010-11 biennium and \$4.3 million in the FY 2012-13 biennium in comparison to the February forecast.

The trunk highway fund was also affected by the passage of Chapters 189 and 388. As noted above, \$127 million in new trunk highway bonds were authorized. In addition, \$19 million in past projects were cancelled, totaling \$108 million in trunk highway bonding during the 2010 session. In addition, the fund will also be affected by the passage of \$23 million in projects funded by trunk highway fund cash and the advancement of \$200 million in trunk highway bonds. The impact in the FY 2010-11 biennium is expected to total \$26 million, and the impact in the FY 2012-13 biennium is expected to total \$42 million.

Capital budgets have varied greatly in size and composition over the last decade. Table 2 provides an overview of the composition of the 2006, 2008, and 2010 capital budgets, and Figure 1 provides a 10-year history of total bond authorizations by year.

Finance Area	2006	2008	2010
Cultural and Outdoor	9.6%	6.0%	10.4%
Economic Development	8.5%	12.8%	6.6%
Environment, Natural Resources, & Agriculture	16.3%	19.4%	17.0%
Higher Education	30.7%	32.8%	23.4%
Health, Human Services, Housing, & Veterans	9.0%	2.9%	9.4%
K-12 Education	2.1%	0.6%	0.5%
Public Safety	6.2%	4.4%	3.5%
State Government	2.0%	2.5%	2.6%
Transportation	15.6%	18.6%	26.5%

Note: In 2008, there was an additional \$1.8 billion in trunk highway bonds authorized. These bonds were authorized over 10 years and are not included in the table above or the chart below.



Debt Management

Minnesota Management and Budget adopted new capital investment guidelines on December 22, 2009 with the intent to align the guidelines with the measures used by credit rating agencies and to allow for better comparison with other states. In addition, the new guidelines were meant to include all forms of state-level, tax-supported debt.

Two of the three new measures compare debt to personal income, and the third measure focuses specifically on debt retirement. The new measures are:

- Guideline 1: Total tax-supported principal outstanding shall be 3.25% or less of total state personal income.
- Guideline 2: Total amount of principal (both issued and authorized but unissued) for state general obligations, state moral obligations, equipment capital leases, and real estate capital leases are not to exceed 6% of state personal income.
- Guideline 3: 40% of general obligation debt shall be due within five years and 70% within ten years, if consistent with the useful life of the financed assets and/or market conditions.

A couple of points are important to note. First, the new guidelines do not include an affordability measure as the original guidelines included. Second, the new guidelines are point-in-time calculations versus percents that are forecasted well into the future. For additional information on the state's previous capital investment guidelines, please see the 2010 Money Matters publication titled: Governor Tim Pawlenty's 2010 Capital Budget Recommendations (<http://www.house.leg.state.mn.us/fiscal/files/10gbondsum.pdf>).

Debt Capacity

Debt capacity is an estimation of how much the state can borrow based on its current guidelines. The February forecast suggested approximately \$1.8 billion in additional capacity would be available for any additional tax-supported debt based on the first debt management guideline, which is the limiting guideline. As noted above, Guideline 1 states that tax-supported principal outstanding shall be 3.25 percent or less of total state personal income. Although this guideline was not impacted with the passage of Chapters 189 and 388 per se, it will be affected when the bonds financing those projects are sold; guideline 1 focuses specifically on principal outstanding and does not take unissued debt into consideration. Based on the February 2010 forecast, Minnesota had approximately \$8.0 billion in total principal outstanding (both issued and authorized but unissued). This increased to approximately \$8.8 billion with the passage of Chapters 189 and 388. Therefore, based on the February 2010 forecast estimates, Minnesota is still following its debt management guidelines.

In addition, the question of affordability is oftentimes discussed when considering debt service on additional bonds, and the past guidelines included a measure to assess this. One potential means for continuing to analyze the affordability of general fund debt service is to relate general fund spending on debt service to general fund revenues. The debt service payments on the bonds

authorized in Chapter 189 as well as anticipated payments on authorized but unissued bonds are expected to be approximately \$955.3 million for the FY 2010-11 biennium. This constitutes approximately 3.1 percent of total general fund revenues.

For further information on Capital Budget issues contact Koryn Zewers at 651-296-4178 or Koryn.Zewers@house.mn.

Agriculture, Rural Economies & Veterans Affairs

The 2010 session appropriations for capital projects in the area under the jurisdiction of the Agriculture, Rural Economies and Veterans Affairs Finance Division totaled \$13.9 million in general obligation bonds. The table below provides a brief overview of the projects funded and following the table is a more detailed summary of the funded projects by agency.

Agriculture, Rural Economies and Veterans Affairs Finance			
2010 Capital Budget Appropriations			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoes	Enacted
Department of Veterans Affairs			
Minneapolis Building 17	\$9,450	\$ -	\$9,450
Asset Preservation	\$4,000	\$ -	\$4,000
Luverne Entrance Enclosure	\$450	\$ -	\$450
Total	\$13,900	\$ -	\$13,900

Department of Veterans Affairs

- **Minneapolis Building 17.** \$9.45 million for the Minneapolis Veterans Home to renovate and update building 17. Building 17 is a traditional nursing home. The renovation will provide each resident with a single room and private bath. The project qualifies for the 65 percent U.S. Department of Veterans Affairs reimbursement.
- **Asset Preservation.** \$4 million for agency-wide asset preservation activities including: replacement of exterior envelope components, roof replacement, tuck-pointing, sanitary sewer repairs, mechanical and electrical updates, and resident bathroom and central shower updating. Funds for asset preservation will cover activities at the Minneapolis, Hastings, Luverne, Silver Bay, and Fergus Falls campuses.
- **Luverne Entrance Enclosure.** \$450,000 was appropriated to renovate the front entrance to the Luverne Veterans Home.

For further information on Agriculture & Veterans finance issues contact Jim Reinholdz, House Fiscal Analysis Department at 651.296.4281, Jim.Reinholdz@house.mn.

This page intentionally left blank

Cultural & Outdoor Resources

The Legislature approved a total of \$100.2 million for 10 bonding projects within the jurisdiction of Minnesota Cultural and Outdoor Resources Committee. The Governor vetoed two of the projects totaling \$12.86 million, reducing the authorized spending for this area to \$87.35 million.

Cultural and Outdoor Resources Finance				
2010 Capital Budget Appropriations, All Sources				
<i>(dollars in thousands)</i>				
Projects by Agency	Conference Report	Governor's Vetoed	Enacted	
Historical Society				
Historic Sites Asset Preservation	\$ 3,400	\$ -	\$	3,400
County and Local Preservation Grants	\$ 1,000	\$ -	\$	1,000
Oliver H. Kelley Farm Historic Site	\$ 9,357	\$ 9,357	\$	-
MN Amateur Sports Commission				
Women's Hockey Center - Blaine	\$ 950	\$ -	\$	950
National Volleyball Cntr, Rochester - Phase 2	\$ 4,000	\$ -	\$	4,000
NW Regional Sports Center - Moorhead	\$ 3,500	\$ 3,500	\$	-
MN Zoological Gardens				
Asset Preservation and Exhibit Renewal	\$ 6,000	\$ -	\$	6,000
Master Plan	\$ 15,000	\$ -	\$	5,000
Public Facilities Authority				
State Matching Funds for Federal Grants	\$ 30,000	\$ -	\$	30,000
Wastewater Infrastructure Funding Program	\$ 27,000	\$ -	\$	27,000
Total	\$ 100,207	\$ 12,857	\$	87,350

Historical Society (MHS)

The Legislature approved \$13.76 million for three projects for the Historical Society. The Governor vetoed \$9.36 million for the Oliver Kelly Farm Historic Site. The remaining two projects, totaling \$4.4 million, are:

- \$3.4 million for historic sites asset preservation. The MHS had requested \$6.7 million for this purpose. These funds support the preservation and restoration of historic structures, landscapes and building systems in the state's historic sites network, and are also used for monuments located statewide.

- \$1 million for grants for county and local preservation grants. Of this amount, \$150,000 is designated as a grant to the city of South St. Paul to renovate the 1941 Navy Hangar at Fleming Field.

Amateur Sports Commission

The Legislature authorized \$8.45 million for three projects for the Minnesota Amateur Sports Commission, The Governor vetoed \$3.5 million for the North West Regional Sports Center in Moorhead. The remaining two projects are:

- \$950,000 for the Women's Hockey Center at the National Sports Center in Blaine. Funds are to be used for a locker room, training room and educational display at the Super Rink.
- \$4 million for Phase 2 of the National Volleyball Center in Rochester. (This project was previously vetoed by Governor Pawlenty when it was included in the 2009 bonding bill.)

Minnesota Zoological Board

The Minnesota Zoological Board received \$21 million for two projects:

- \$15 million for the zoo's Master Plan (out of \$18 million originally requested by the Board). Phase I of the plan includes renovation and expansion of the zoo's entrance and main building, visitor center, and environmental education center. This appropriation is not available until the city of St. Paul has certified that it has the financing needed to complete Phase 2 of the Como Zoo exhibit renovations.
- \$6 million for Asset Preservation and Exhibit Renewal.

Public Facilities Authority (PFA)

The Legislature approved \$57 million for two Public Facilities Authority (PFA) projects.

- \$30 million for state matching funds for U.S. Environmental Protection Agency (EPA) Capitalization Grants. The funding is expected to access \$150 million in federal EPA funds for the for the Clean Water Revolving Fund and the Drinking Water Revolving Fund in FY 2010-11.
- \$27 million for grants to eligible municipalities under the Wastewater Infrastructure program. This amount is \$7 million over the Governor's recommendation, but less than the PFA's requested \$30 million in funding.

Library Accessibility and Improvement Grants: See the K-12 education section for information on the vetoed funding for these grants.

For further information on Minnesota Cultural and Outdoor Resources issues contact Ron Soderberg at 296-4162 or ron.soderberg@house.mn; or Helen Roberts at 296-4117 or helen.roberts@house.mn

Early Childhood Education

There was only one item in the final bonding bill for early childhood. The conference committee report included \$2 million to be used for the construction and rehabilitation of early childhood learning and child protection facilities. The Governor vetoed this item.

Early Childhood Finance and Policy Division			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoes	Enacted
Department of Human Services			
Early Childhood Facilities	\$2,000	\$2,000	\$ -
Total	\$2,000	\$2,000	\$ -

For additional information on Early Childhood finance issues, contact Emily Adriaens at 651-296-7171 or Emily.Adriaens@house.mn.

This page intentionally left blank

Environment and Natural Resources

The 2010 session capital budget funded general obligation bond appropriations of \$144.4 million for projects under the jurisdiction of the Environment and Natural Resources Finance Division. The Governor vetoed an additional \$59.3 million of Legislative approved projects. The following table provides an overview of funding by agency.

Environment and Natural Resources Finance			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoed	Enacted
Department of Natural Resources			
MN Forest for the Future	\$500	\$ -	\$500
Roads and Bridges	\$1,000	\$ -	\$1,000
Dam Repair / Reconstruction / Removal	\$4,750	\$750	\$4,000
Diseased Shade Tree Removal and Replacement	\$3,000	\$ -	\$3,000
Flood Hazard Mitigation	\$63,500	\$ -	\$63,500
Ground Water Monitoring	\$1,000	\$ -	\$1,000
RIM Critical Habitat Match	\$3,000	\$ -	\$3,000
SNA Acquisition and Development	\$4,500	\$4,500	\$ -
State Land Reforestation	\$3,000	\$ -	\$3,000
State Park Rehabilitation	\$4,659	\$ -	\$4,659
State Park Development	\$1,600	\$ -	\$1,600
State Trail Rehabilitation	\$4,000	\$ -	\$4,000
State Trail Acquisition and Development	\$21,423	\$21,423	\$ -
Regional Trails	\$3,792	\$ -	\$3,792
St. Mathias Trail Paving	\$50	\$ -	\$50
Rum River Buffer and Bridge	\$130	\$ -	\$130
Fort Snelling Upper Bluff	\$1,200	\$ -	\$1,200
Lake Superior Campground	\$1,000	\$1,000	\$ -
State Park, State Recreation Area Acquisition	\$2,150	\$ -	\$2,150
Statewide Asset Preservation	\$1,000	\$ -	\$1,000
WMA/AMA Acquisition and Development	\$1,000	\$ -	\$1,000
Agency Total	\$126,254	\$27,673	\$98,581
Pollution Control Agency			
Capital Assistance Program	\$5,575	\$500	\$5,075
Closed Landfill Bonding	\$8,700	\$ -	\$8,700
Agency Total	\$14,275	\$500	\$13,775
Board of Water and Soil Resources			
Local Government Roads Wetland Replacement	\$2,500	\$ -	\$2,500
Reinvest in MN (RIM) Program	\$25,000	\$25,000	\$ -
Agency Total	\$27,500	\$25,000	\$2,500

Environment and Natural Resources Finance			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoed	Enacted
Metropolitan Council (parks and wastewater)			
Metro Cities Inflow and Infiltration Grants	\$3,000	\$ -	\$3,000
Metropolitan Regional Parks	\$10,500	\$ -	\$10,500
Como Zoo	\$11,000	\$ -	\$11,000
Minneapolis Sculpture Garden	\$2,000	\$2,000	\$ -
Old Cedar Ave Bridge	\$2,000	\$ -	\$2,000
Phalen Keller Regional Park	\$1,100	\$1,100	\$ -
Rock Island Bridge Park and Trail	\$1,000	\$ -	\$1,000
Springbrook Nature Center	\$2,000	\$2,000	\$ -
Theodore Wirth Olympic Training Center	\$1,000	\$1,000	\$ -
Veterans Memorial Parks	\$2,000	\$ -	\$2,000
Agency Total	\$35,600	\$6,100	\$29,500
Total	\$203,629	\$59,273	\$144,356

Below is a summary by agency of the environment and natural resources funding for capital projects in the 2010 session.

Department of Natural Resources

- **Forest for the future.** \$500,000 is to acquire perpetual conservation easements and fee title ownership of forest lands.
- **Roads and bridges.** \$1 million is to repair, replace, and construct bridges and roads within the state forest road system.
- **Dam repair.** \$4 million is for dam repair, reconstruction and removal projects. The Governor vetoed additional funding of \$750,000, which was set aside for a dam in Coon Rapids.
- **Diseased shade tree program.** \$3 million is for grants to local units of government to remove and replace dead shade trees located on public property.
- **Flood hazard mitigation grants.** \$63.5 million is for state cost sharing grants to local units of government to implement measures that reduce or eliminate future flood damages.
- **Ground water monitoring.** \$1 million funding is for installation of ground water observation wells in order to assess ground water availability for water supply planning.

Data from the wells is used to analyze water level trends, evaluate aquifer recharge rates, and to determine ground water/surface water interactions.

- **RIM critical habitat match.** \$3 million is to be used to match private donations to fund the cost of acquiring and improving fish, wildlife and native plant habitats for the Reinvest in Minnesota program.
- **Scientific and natural areas (SNAs).** The governor vetoed a legislative appropriation of \$4.5 million to be used to acquire and develop SNAs statewide. SNAs are sites that preserve rare plant communities, unique geological features and rare or endangered species habitat.
- **State Land Reforestation.** \$3 million is for reforestation of harvested state forest lands.
- **State Park Rehabilitation.** \$4.695 million is for rehabilitation within state parks.
- **State park Acquisition.** \$2.15 million is to be used for acquisition projects in the state park system.
- **State Park Development.** \$1.6 million is for development projects at Glendalough State Park and Cuyuna Country state Recreation Area.
- **State Trail Rehabilitation.** \$4 million is to renovate state trails established under MS 85.015.
- **State Trail Acquisition and Development.** The legislature approved \$21.423 million of projects for state trails. The Governor vetoed this appropriation.
- **Regional Trails.** \$3.792 million was enacted to be used for grants on the regional trail systems.
- **St. Mathias Trail Paving grant.** \$50,000 is for a grant to the city of Fort Ripley to pave a trail within the city.
- **Rum River Buffer and Bridge Replacement.** \$130,000 is for a grant to the city of Milaca to replace the pedestrian bridge over the Rum River at Rec Park.
- **Fort Snelling Upper Bluff.** \$1.2 million is for a grant to Hennepin County to be used for stabilization of the Fort Snelling upper bluff.
- **Lake Superior Campground.** The legislature appropriated \$1 million for a grant to the city of Two Harbors for expansion of the city campground. The Governor vetoed the appropriation.
- **Statewide Asset Preservation.** \$1 million is for renovation of state owned facilities and recreational assets.

- **Wildlife management area (WMA) land acquisition and improvement.** \$1 million is to acquire land and complete improvements to public wildlife management areas. Wildlife management areas are a component of the state's system of lands open to public hunting. The state currently has approximately 900,000 acres of WMAs.

Pollution Control Agency

- **Closed landfill program.** \$8.7 million is to design and construct remedial systems at publicly owned mixed municipal solid waste landfills.
- **Capital assistance program.** The legislature appropriated \$5.575 million for the solid waste processing facilities grant program. The Governor vetoed \$500,000 of the appropriation, which was for the Becker County transfer facility.

Water and Soil Resources Board

- **RIM Conservation Reserve program.** The legislature appropriated \$25 million for this program. The program purchases conservation easements from willing landowners. The program seeks to improve water quality in lakes, rivers and streams as well as improve ground water quality. The Governor vetoed the appropriation.
- **Local government road wetland replacement.** \$2.5 million of funding was enacted to replace wetlands lost to improvements made to public transportation projects.

Metropolitan Council

- **Metropolitan Regional Parks.** \$10.5 million was for the council's capital improvements program. Funds for this program are used to acquire and improve the metro regional parks system. The funds will be distributed by the council to the regional park operating agencies.
- **Metropolitan Cities Inflow and Infiltration Grants.** \$3 million was enacted for grants to cities in the metropolitan area for capital improvement in wastewater collection systems to reduce the amount of inflow and infiltration.
- **Como Zoo.** \$11 million was enacted for a grant to the city of St. Paul for renovation at the Como Zoo.
- **Minneapolis Sculpture Garden.** The legislature appropriated \$2 million for a grant to the city of Minneapolis to renovate the sculpture garden at the Walker Art Center. The Governor vetoed the appropriation.

- **Old Cedar Avenue Bridge.** \$2 million was for a grant to the city of Bloomington to renovate the Old Cedar Avenue Bridge for recreational use.
- **Phalen-Keller Regional Park.** The legislature appropriated \$1.1 million dollars for a grant to Ramsey County to be used for improvements at Phalen-Keller Park. The Governor vetoed the appropriation.
- **Rock Island Bridge Park.** \$1 million was for a grant to the city of Inver Grove Heights for park and trail development on the Mississippi River Bank.
- **Springbrook Nature Center.** The legislature appropriated \$2 million for a grant to the city of Fridley for the redevelopment of the Springbrook Nature Center. The Governor vetoed the appropriation.
- **Theodore Wirth Winter Recreation Center.** The legislature appropriated \$1 million for a grant to the Minneapolis Park and Recreation Board to be used for development of a winter recreation center at Theodore Wirth Park. The Governor vetoed the appropriation.
- **Veterans Memorial Parks.** \$2 million for a grant to the Minneapolis Park and Recreation Board to be used to make improvements at the Victory Memorial Parkway plaza and park.

For further information on Environment and Natural Resources finance issues contact Jim Reinholdz, House Fiscal Analysis Department at 651.296.4281, Jim.Reinholdz@house.mn.

This page intentionally left blank

Health Care & Human Services

The health care and human services area of the capital budget received \$66.6 million in the conference committee report, but \$2 million of those projects were vetoed for a total of \$64.6 million in general obligation (GO) bonds in Chapter 189. Two of the four projects, totaling \$15 million, were for grants to local units of government with the remaining funds going to the Department of Human Services for programs and / or services run through that agency. Below is a table outlining funding for specific projects and a more detailed description of each project follows.

Health Care and Human Services Finance			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoed	Enacted
Department of Health			
Gillette Children's Specialty Healthcare	\$10,000	\$ -	\$10,000
Hyperbaric Oxygen Chamber (HCMC)	\$5,000	\$ -	\$5,000
Department of Human Services			
Moose Lake Sex Offender Facility	\$47,500	\$ -	\$47,500
Remembering with Dignity	\$125	\$ -	\$125
Asset Preservation	\$2,000	\$ -	\$2,000
Early Childhood Learning and Protection Facilities	\$2,000	\$2,000	\$ -
Total	\$66,625	\$2,000	\$64,625

Department of Human Services

The Department of Human Services received three requests totaling \$49.6 million in the 2010 capital budget process that were ultimately signed into law.

- Moose Lake Sex Offender Facility.** The department submitted an \$89.1 million request to fund Phase II of the Moose Lake sex offender facility. The second phase will add 400 additional beds to the current 400 bed facility to meet the projected increases in sex offender inmate population.

The project was initially excluded from the legislature's proposal due to the high cost, but a negotiated agreement with the executive branch will stage the project. Chapter 189 included \$47.5 million for the project. The Department of Human Services will seek additional funds in the next capital budget cycle to complete the remainder of the project.

- **Remembering with Dignity.** An appropriation for \$125,000 was included for the “Remembering with Dignity” project. The project seeks to replace grave markers at state hospitals when the graves are marked with only a number. The project will replace the markers with headstones that name the deceased.
- **Asset Preservation.** Chapter 189 included \$2 million for Human Services system wide asset preservation projects. The Governor had sought \$3 million for this purpose.
- **Early Childhood Learning and Protection Facilities.** The final bill also included \$2 million to be used for the construction and rehabilitation of early childhood learning and child protection facilities. The Governor vetoed this item.

Department of Health

The Department of Health had two items in Chapter 189 that were not originally included in the agency’s requests or the Governor’s bonding recommendations; both requests for funding were submitted by local units of government. Funding for the grants totaled \$15 million and were for Ramsey and Hennepin counties.

- **Gillette Children’s Specialty Healthcare.** A \$10 million appropriation was made in Chapter 189 for a grant to Ramsey County through the Department of Health for improvements at the hospital run by Gillette Children’s Specialty Healthcare. The facility is required to be used for government programs, which may include health care. The total project cost is estimated at \$62 million and the state portion is contingent on acquiring a commitment of nonstate funding for the remaining \$52 million.
- **Hyperbaric Oxygen Chamber.** Chapter 189 appropriated \$5 million for a grant to Hennepin County through the Department of Health for completion of a second hyperbaric oxygen facility on the campus of the Hennepin County Medical Center.

For further information on Health and Human Services related topics, contact John Walz, House Fiscal Analysis at 651-296-8236 or john.walz@house.mn –or– Emily Adriaens at 651-296-7171 or emily.adriaens@house.mn.

Higher Education and Workforce Development

The Legislature approved a total of \$461.9 million in general obligation bonds for 49 projects or programs under the jurisdiction of the Higher Education and Workforce Development Policy and Finance Committee. The Governor vetoed 28 projects totaling \$209.9 million. As enacted, Chapter 189 includes 21 projects or programs representing \$252 million in general obligation debt for higher education and economic development projects.

Higher Education and Workforce Development Finance & Policy Division			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoes	Enacted
UNIVERSITY OF MINNESOTA			
HEAPR	\$56,000	\$ -	\$56,000
Folwell Hall	\$23,000	\$ -	\$23,000
Physics and Nanotechnology	\$4,000	\$ -	\$4,000
American Indian Learning Resource Center	\$6,667	\$6,667	\$ -
Itasca Biological Station	\$3,667	\$3,667	\$ -
Laboratory Renovation	\$6,667	\$ -	\$6,667
MN STATE COLLEGES & UNIVERSITIES			
HEAPR	\$52,000	\$ -	\$52,000
Alex Tech - Main Building Renovation and Addition	\$200	\$ -	\$200
Anoka Ramsey, Coon Rapids - Fine Arts Building	\$5,357	\$5,357	\$ -
Anoka Ramsey, Coon Rapids - Bioscience and Allied Hlth	\$400	\$400	\$ -
Dakota County TC - Transportation and Emerging Tech Lab	\$300	\$300	\$ -
Hennepin Tech - Learning Resource and Student Svcs Ren	\$10,566	\$10,566	\$ -
Lake Superior CTC - Health Science Center	\$12,098	\$ -	\$12,098
Metro State University - Classroom Center	\$5,860	\$ -	\$5,860
Minneapolis CTC - Workforce Program Renovation	\$12,990	\$12,990	\$ -
MN State CTC, Moorhead - Library and Classroom Add	\$5,448	\$ -	\$5,448
MN State University, Mankato - Clinical Science Building	\$1,908	\$1,908	\$ -
MN State Moorhead - Livingston Lord Library and IT	\$14,901	\$14,901	\$ -
MN West, Canby - Wind Turbine Training Facility	\$200	\$200	\$ -
Mesabi Range CTC - Shop Space Addition	\$5,477	\$ -	\$5,477
Mesabi Range CTC - Iron Range Engineering Program	\$3,000	\$3,000	\$ -
Normandale - Academic Partnership and Student Services	\$1,000	\$ -	\$1,000
North Hennepin CC - Bioscience and Health Careers Center	\$600	\$600	\$ -
North Hennepin CC - Center for Business and Technology	\$14,782	\$ -	\$14,782
Ridgewater CTC, Willmar - Technical Instruction Ren.	\$14,300	\$14,300	\$ -
Rochester CTC - WFC Co-location	\$3,238	\$3,238	\$ -
Rochester CTC - WFC Co-location (DEED Lease Funding)	\$5,262	\$5,262	\$ -

Higher Education and Workforce Development Finance & Policy Division			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoed	Enacted
<i>MN STATE COLLEGES & UNIVERSITIES PROJECTS CONTINUED</i>			
SC College, Faribault - Classroom Renovation and Addition	\$13,360	\$13,360	\$ -
SW State - Science Lab Renovation	\$200	\$200	\$ -
SCSU - Integrated Science and Engineering Laboratory	\$42,334	\$42,334	\$ -
St. Cloud Tech - Allied Health Center Renovation	\$5,421	\$ -	\$5,421
Systemwide Classroom Initiative and Demolition	\$3,883	\$ -	\$3,883
Science, Technology, Engineering and Math Initiative	\$4,835	\$4,835	\$ -
EMPLOYMENT AND ECONOMIC DEVELOPMENT			
Greater MN Business Devel Infrastructure Grant Program	\$10,000	\$ -	\$10,000
Innovative Business Devel Public Inf Grant Program	\$4,000	\$ -	\$4,000
Redevelopment Account	\$5,000	\$ -	\$5,000
Bemidji - Headwaters Science Center	\$475	\$475	\$ -
Chatfield - Potter Center for the Arts	\$2,200	\$2,200	\$ -
Duluth Zoo	\$200	\$ -	\$200
Hennepin County - MN African American History Museum	\$840	\$840	\$ -
Mankato - Civic Center and All Seasons Arena	\$12,000	\$12,000	\$ -
Minneapolis - Granary Road Storm Water Infrastructure	\$4,000	\$4,000	\$ -
Minneapolis - Orchestra Hall	\$16,000	\$ -	\$16,000
Ramsey County - Rice Street Bioscience Corridor	\$5,000	\$ -	\$5,000
Rochester - Mayo Civic Center Complex	\$28,000	\$28,000	\$ -
St. Cloud - Civic Center Expansion	\$13,000	\$13,000	\$ -
St. Louis County - Arrowhead Regional Event Facilities	\$250	\$250	\$ -
St. Paul - Asian Pacific Cultural Center	\$5,000	\$5,000	\$ -
St. Paul - Ordway Center for Performing Arts	\$16,000	\$ -	\$16,000
Total	\$461,886	\$209,850	\$252,036

Department of Employment and Economic Development

As enacted, Chapter 189 includes a total of \$56.2 million in general obligation bonding for the following 7 projects:

- Business Development Public Infrastructure Grant Program.** \$10 million for infrastructure development to support business. Within this appropriation \$1 million is for a grant to the City of North Branch for water and sewer work related to the ESSBY Business Park, and \$200,000 is for a matching grant to the Minnesota State Colleges and Universities to construct a business incubator at Pine Technical College.

- **Innovative Business Development Public Infrastructure Program.** \$4 million for infrastructure grants to assist innovative businesses primarily involved in biotechnology or nanotechnology.
- **Redevelopment Grant Program.** \$5 million for grants to help local governments redevelop old or abandoned properties statewide. The agency requested \$20 million for this program. Of this amount, \$2 million is for the City of Lake Elmo to design and build water infrastructure related to closure of a city well due to contamination and to extend sanitary sewer lines. This appropriation must be matched dollar for dollar from nonstate sources.
- **Duluth Zoo.** \$200,000 is for a grant to the City of Duluth for asset preservation.
- **Minneapolis - Orchestra Hall.** \$16 million is for a grant to the City of Minneapolis to design, construct and furnish a renovation of Orchestra Hall. This appropriation must be matched dollar for dollar by nonstate sources.
- **Ramsey County – Rice Street Bioscience Corridor.** \$5 million is for a grant to Ramsey County to reconstruct the Rice Street bridge over Highway 36 to improve traffic flow in the area of St. Jude Medical, Inc.
- **St Paul – Ordway Center for the Performing Arts.** \$16 million is for a grant to the City of St. Paul to design, construct, and furnish a renovation of a portion of the Ordway Center.

Minnesota State Colleges and Universities (MnSCU)

As enacted, Chapter 189 includes a total of \$106.3 million in general obligation bonding for the following 10 projects:

- **Higher Education Asset Preservation and Replacement (HEAPR).** \$52 million is for general maintenance of MnSCU facilities within the statutory definition of HEAPR projects. This includes items such as code compliance, ADA requirements, hazardous material abatement, access or air quality improvements, and general repair needed to preserve buildings and renovation to support the current programmatic mission of the campuses. HEAPR funds are not subject to user financing.
- **Alexandria Technical College – Main Building Renovation and Addition.** \$200,000 is to design a library, student services, and student commons building and to complete design of an infill addition. MnSCU will reimburse the state for one-third of the cost or approximately \$67,000.
- **Lake Superior College – Health Sciences Center.** \$12.1 million to construct a 36,700 gross square foot addition and to design renovation of existing space. The new space will add teaching and laboratory space for nursing and allied health programs. MnSCU will reimburse the state for one-third of the cost or approximately \$4 million.

- **Metro State University – Classroom Center.** \$5.9 million is to construct, furnish and equip technology enhanced classrooms and academic space above the power plant building and to demolish the power plant annex. MnSCU will reimburse the state for one-third of the cost or approximately \$2 million.
- **MN State Community and Technical College, Moorhead – Library and Classroom Addition.** \$5.5 million to finish design as well as to construct and equip a classroom and library addition and demolish obsolete space. MnSCU will reimburse the state for one-third of the cost or approximately \$1.8 million.
- **North Hennepin Community College – Business and Technology Addition and Renovation.** \$14.8 million to add 29,000 gross square feet of new space on to and renovate 35,400 gross square feet of existing space in the Center for Business and Technology. MnSCU will reimburse the state for one-third of the cost or approximately \$4.9 million.
- **Classroom renovation and Demolition.** \$3.9 million for classroom renovations and demolition projects system wide. MnSCU will reimburse the state for one-third of the cost or approximately \$1.3 million.
- **Mesabi Range Community and Technical College, Eveleth – Shop Space Addition.** \$5.5 million to construct an 11,800 gross square foot addition for the Industrial Mechanical Technology program, which is currently in off campus leased space. MnSCU will reimburse the state for one-third of the cost or approximately \$1.8 million.
- **St Cloud Technical College – Allied Health Center Renovation.** \$5.4 million to renovate the existing 54,000 gross square foot building into a state of the art medical training facility. MnSCU will reimburse the state for one-third of the cost or approximately \$1.8 million.
- **Normandale Community College – Academic Partnership Center & Student Services.** \$1 million to design a new classroom and office building and to design renovation of the existing student services building. MnSCU will reimburse the state for one-third of the cost or approximately \$333,000.

University of Minnesota

As enacted, Chapter 189 includes a total of \$89.7 million in general obligation bonding for the following four projects:

- **Higher Education Asset Preservation and Replacement (HEAPR).** \$56 million is for general maintenance of University facilities within the statutory definition of HEAPR projects. This includes items such as code compliance, ADA requirements, hazardous material abatement, access or air quality improvements, and general repair needed to

preserve buildings and renovation to support the current programmatic mission of the campuses. HEAPR funds are not subject to user financing.

- **Folwell Hall.** \$23 million is to design, construct, and furnish a general renovation of Folwell Hall. State funding will be matched by \$11.5 million in University issued bonds for a project total of \$34.5 million.
- **Physics and Nanotechnology Building.** \$4 million is for predesign and design of a new 150,000 gross square foot building to house the research branch of the physics program, the Center for Nanostructure Applications. The building is to include clean room space, faculty/student meeting space, and faculty, graduate student, and researcher's office space. Prior to receipt of funds, the Board of Regents must certify that the building will not be built where operation of the Central Corridor light rail line would have an impact on it. State funding will be matched by \$2 million in University financing for at total of \$6 million.
- **General Laboratory Renovation.** \$6.667 million is for laboratory renovations and upgrades system wide. State funding will be matched by \$3.333 million in University financing for projects totaling \$10 million.

For further information on Higher Education and Economic Development finance issues contact Doug Berg, House Fiscal Analysis Department at 651-296-5346 or doug.berg@house.mn.

This page intentionally left blank

Housing

For the 2010 Legislative session, the Minnesota Housing Finance Agency had a number of requests. However, the only additional items included in the Conference Committee report were \$10 million in additional general purpose general obligation (GO) bonds and a change in the agency's authority related to their nonprofit housing bonds.

Housing Finance and Policy Division			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoes	Enacted
Minnesota Housing Finance Agency			
Public Housing Rehabilitation	\$10,000	\$10,000	\$ -
Total	\$10,000	\$10,000	\$ -

Minnesota Housing Finance Agency

- **Public Housing Rehabilitation.** The \$10 million in GO bonds were intended to be used for the preservation of public housing units. The intent was to replace public housing units lost in fires and use the money for rehabilitation of 3,000 public housing units statewide. The Governor vetoed this item.

The consequence of not including GO bonds for housing is that some public housing units in need of repairs will stand empty because they are uninhabitable. Public housing authorities have had to sell off units to raise revenue and reduce operating costs so that the remaining units can get the maintenance and repairs needed.

- **Nonprofit Housing Bonds.** Chapter 189 also includes an increase in the agency's authority to issue nonprofit housing bonds. This bond authorization was initially included in Minnesota Statutes 2008, and the increase from \$30 million to \$36 million in bonding authority is possible because of lower interest rates; lower interest rates decrease the amount of debt service required from the state. The state appropriation for debt service on these bonds does not change.

For additional information on Housing finance issues, contact Emily Adriaens at 651-296-7171 or Emily.Adriaens@house.mn.

This page intentionally left blank

K-12 Education

For the 2010 Legislative session, the Legislature adopted seven K-12 capital projects, totaling \$11.7 million of general obligation bonds, out of a total \$74.4 million requested by state agencies. Two of those projects, totaling \$7.8 million, were vetoed by Governor Pawlenty. The projects include:

K-12 Finance Division			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoes	Enacted
Minnesota Department of Education			
Red Lake (ISD 38) Capital Loan	\$5,780	\$5,780	\$ -
Library Accessibility and Improvement Grants	\$2,000	\$2,000	\$ -
Minnesota State Academies			
Asset Preservation	\$2,000	\$ -	\$2,000
Independent Living Housing	\$500	\$ -	\$500
Perpich Center for Arts Education			
Alpha Building Demolition	\$755	\$ -	\$755
Delta Dorm Windows	\$489	\$ -	\$489
Storage Building	\$129	\$ -	\$129
Total	\$11,653	\$7,780	\$3,873

Minnesota Department of Education

- Red Lake (ISD 38) Capital Loan.** \$5.8 million of \$25.2 million requested for the Red Lake school district for a maximum effort capital loan fund. The funded portion of the request would have included money for renovation and construction of a single kitchen and cafeteria to serve the high school and middle school, a receiving area and dock and adjacent drives, utilities, and grading. **This appropriation was vetoed in full.**
- Library Accessibility and Improvement Grants.** \$2 million for library accessibility grants. These grants are made on a competitive basis by the Department for library accessibility, renovation and construction projects for public libraries. Public libraries in this program include regional public library systems, regional library districts, city libraries, and county libraries. **This appropriation was vetoed in full.**

Minnesota State Academies for the Deaf and Blind

- **Asset Preservation.** \$2 million, compared to \$4.26 million requested by the agency, for asset preservation. Projects on the Academies' list for asset preservation generally fall into the code compliance and deferred maintenance categories. The Academies indicate that their highest priorities for asset preservation funds are roof, window and door replacement, and installation of security systems.
- **Independent Living Housing.** \$500,000, as requested by the agency, to design, construct, and furnish independent living housing on the Academy for the Blind campus for the nontraditional student component of the Academy Plus Transition program. This project will include collaboration with the South Central College of Fairbault carpentry class.

Perpich Center for Arts Education

- **Alpha Building Demolition.** \$755,000, as requested by the Center, to demolish the Alpha building, a storage building originally constructed as a dormitory on the Center campus. The building has extensive mold and asbestos issues, which will be remediated during the demolition process. These issues make the building unusable in its current state.
- **Delta Dorm Windows.** \$489,000, as requested by the Center, to install new windows in the Delta Dormitory. The building has been under renovation since 2006, including mold removal and HVAC installation, and the replacement of the windows will complete the dormitory renovation. The current single pane windows allow outside air and moisture into the building creating energy management and efficiency issues.
- **Storage Building.** \$129,000, as requested by the Center, for a 4,000 square foot storage building. After demolition of the Alpha building, the center has limited storage space for equipment and general storage. This building will provide that storage space, as well as a large shop area for in house repairs and welding jobs.

For more information on K-12 Education Finance, contact Greg Crowe at 651-296-7165 or greg.crowe@house.mn.

Public Safety

For the 2010 Legislative session, the Legislature adopted ten Public Safety capital projects, totaling \$38.829 million of general obligation bonds. Two of those projects, totaling \$5 million, were vetoed by Governor Pawlenty. The projects include:

Public Safety Finance			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoes	Enacted
Department of Public Safety			
Emergency Mgmt Facility - Camp Ripley	\$6,000	\$ -	\$6,000
State Emergency Operations Center	\$2,250	\$ -	\$2,250
East Metro Fire Training Facility - Maplewood	\$3,000	\$3,000	\$ -
Emergency Operations Center & Training Facility - Mpls.	\$750	\$ -	\$750
MERIT Center-Marshall	\$1,000	\$ -	\$1,000
Public Safety Facility - Princeton	\$2,000	\$2,000	\$ -
Department of Corrections			
Asset Preservation	\$8,000	\$ -	\$8,000
ARMER Radio System Migration	\$5,800	\$ -	\$5,800
Intrusion Detection System - Oak Park Heights	\$3,529	\$ -	\$3,529
Security System Upgrade - Oak Park Heights	\$6,500	\$ -	\$6,500
Total	\$38,829	\$5,000	\$33,829

Department of Corrections

The total appropriation approved for the Department of Corrections is \$23.829 million.

- Asset Preservation.** \$8 million for asset preservation (the Department's original request was for \$40 million). This request would fund repairs and replacement needs throughout the corrections system. These needs include items such as tuck pointing, code compliance issues, roof replacement, utility system repairs and replacements, preservation of building exteriors and interiors, and abatement of hazardous materials. The Department received \$4 million in 2009 and \$10 million in 2008 for asset preservation.
- ARMER Radio System Migration.** \$5.8 million (the Department's original request was for \$7.4 million) to fund the design and implementation of the Allied Radio Matrix for Emergency Response (ARMER) system. This bonding request will allow the Department to upgrade its obsolete radio communications. It will also bring the

Department into uniformity with the state's direction for interoperable public safety communications and assure compliance with the Federal Communication Commission rules. This proposal has on-going general fund operating costs under the category of other program related expenses of \$468,000 for each biennium.

- **Minnesota Correctional Facility - Oak Park Heights – Perimeter Intrusion System.** \$3.529 million is to replace the intrusion detection system on the top of the walls at Oak Park Heights and to upgrade lighting and cameras on the exterior of the perimeter fences. The request is to replace the system with a sensed coil of razor ribbon.
- **Minnesota Correctional Facility - Oak Park Heights – Security System Upgrade.** \$6.5 million for replacement of the security system at Oak Park Heights. This will fund a new integrated electronic control and monitoring system throughout the facility.

Department of Public Safety

The total appropriation approved for the Department of Public Safety is \$15 million with \$5 million of this being vetoed by the Governor.

- **Emergency Management Training Facility.** \$6 million to complete (phase 2) of the comprehensive emergency management training facility at Camp Ripley. Phase 1 was in the 2008 bonding bill with an appropriation of \$5 million.
- **Emergency Operations Center.** \$2.25 million is for the pre-design and design of a State Emergency Operations Center and Homeland Security and Emergency Management office. This would be co-located with the Minnesota National Guard Joint Force Headquarters in Arden Hills.
- **East Metro Regional Fire Training Facility in Maplewood.** \$3 million to acquire land, site preparation, design, and construction of a regional fire training center. **This appropriation was vetoed in full.**
- **Emergency Operations Center and Fire Training Facility in Minneapolis.** \$750,000 to complete design and construction of an emergency operations center and fire training facility.
- **Minnesota Emergency Response and Industry Training Center (MERIT) in Marshall.** \$1 million for land, pre-design, design, construction, and to furnish and equip the expansion of MERIT.
- **Public Safety Facility in Princeton.** \$2 million to design, construct, furnish, and equip a new public safety building. **This appropriation was vetoed in full.**

For additional information on Public Safety finance issues contact, Gary Karger at 651-296-4181 or gary.karger@house.mn.

State Government

Chapter 189 authorized \$23.1 million for nine bonding projects within the jurisdiction of the State Government finance committee. The Governor vetoed \$1 million for one project, reducing the authorized spending for this area to \$22.1 million.

State Government Finance			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Veto	Enacted
Administration			
Statewide CAPRA	\$ 2,000	\$ -	\$ 2,000
Asset Preservation	\$ 8,075	\$ -	\$ 8,075
Cooperative Local Facilities Grants	\$ 1,000	\$ 1,000	\$ -
Police, Fire & Vets Memorial - Eagen	\$ 100	\$ -	\$ 100
Military Affairs			
Asset Preservation	\$ 4,000	\$ -	\$ 4,000
Facility Life/Safety	\$ 1,000	\$ -	\$ 1,000
ADA Alterations	\$ 900	\$ -	\$ 900
Cedar Street Armory	\$ 5,000	\$ -	\$ 5,000
Troop Support Facility	\$ 1,000	\$ -	\$ 1,000
Total	\$ 23,075	\$ 1,000	\$ 22,075

Administration

The Legislature approved \$11.2 million for four projects. The Governor vetoed \$1 million for cooperative local facilities grants¹. The remaining 3 projects are:

- **Asset Preservation:** \$8.1 million for asset preservations needs specific to the Capitol and other state buildings managed by the department. Of this amount, \$1.25 million is to be used for Capitol Security upgrades, and \$750,000 is designated for predesign of the renovation of the Governor's residence on Summit Avenue in Saint Paul.

The Capitol building alone has an identified backlog of deferred maintenance of more than \$100 million. This is the first asset preservation request from the department since 2006, because the department has a separate source of funding for asset preservation, the Facilities Repair and Replacement Account. However, the projected balance in this

¹ Although the Governor vetoed the funding for this initiative, related language was passed in Chapter 392 (the state government policy bill) allowing the Department of Administration to administer the grants if future appropriations are made for this purpose.

account is inadequate to address known project needs, in part due to one-time transfers from the account to the General Fund made as part of budget-balancing efforts over the past eight years.

- **Statewide CAPRA (Capital Asset Preservation and Replacement Account):** \$2 million for the Capital Asset Preservation and Replacement Account (CAPRA). CAPRA is a statewide fund for emergency repairs and unanticipated hazardous material abatement. The fund is administered by the Department of Administration on behalf of other state agencies. Since the program was started in 1990, a total of \$83.55 million in both GO bonds and General Fund dollars has been appropriated for CAPRA projects.
- \$100,000 for a grant to Eagen for a memorial to veterans, police and firefighters.

Military Affairs

The Legislature approved \$11.9 million for five projects at National Guard facilities. The department manages over 4.6 million square feet of facilities at over 1500 buildings across the state, including Camp Ripley and the 62 armories, officially called Training and Community Centers. The projects include:

- **Asset preservation:** \$4 million for deferred maintenance projects at armories and training facilities. The request is based on detailed facilities audits, which document a maintenance backlog of over \$28 million. The average age of the state's armory facilities is over 48 years.
- **Facility Life / Safety Repairs:** \$1 million for required life/safety repairs at National Guard training facilities. Examples of required repairs include the replacement of fire and smoke alarm systems, emergency egress lighting, and ventilation system improvements. Life/safety alterations are generally matched 100 percent by federal dollars.
- **Americans with Disabilities Act (ADA) Compliance:** \$900,000 for ADA alterations to existing National Guard armory and training centers throughout the state. Most project costs are shared 50/50 with the federal government.
- **Cedar Street Armory:** \$5 million for a major renovation of the Cedar Street Armory in St. Paul. Needed repairs include replacing all windows, upgrading the existing mechanical and electrical systems, and asbestos abatement. The total project cost (including inflation) is \$9.4 million. Federal matching funds of \$3.5 million will supplement the state dollars.
- **Troop Support Facility:** \$1 million to complete the renovation of the Troop Support Activity facility at Camp Ripley. The improvements will create a facility that can be used for large meetings, ceremonies and conferences.

For additional information on State Government finance issues, contact Helen Roberts at 651-296-4117 or Helen.roberts@house.mn.

Transportation

Transportation projects make up approximately 26.5 percent of this year's capital budget with funding totaling \$240 million in two chapters of law: Chapter 189 and Chapter 388. Chapter 189 would have authorized \$200 million in funding for projects; however, the Governor vetoed \$60 million of those projects. Of the \$140 million signed into law, \$90 million of those projects were funded with general obligation bonds supported by the general fund. The remaining projects were funded with trunk highway bonds and cash. In addition, Chapter 388 authorizes an additional \$100 million in trunk highway bonds. The table below highlights the transportation projects funded in the two chapters and additional information on each project follows.

Transportation Finance and Policy Division			
2010 Capital Budget Appropriations, All Sources			
<i>(dollars in thousands)</i>			
Projects by Agency	Conference Report	Governor's Vetoed	Enacted
Department of Transportation			
Local Bridge Replacement and Rehabilitation	\$66,000	\$ -	\$66,000
Greater MN Transit	\$2,500	\$2,500	\$ -
Rail Service Improvement	\$2,000	\$ -	\$2,000
Minnesota Valley Railroad Track Rehabilitation	\$5,000	\$ -	\$5,000
Northstar Commuter Rail Extension	\$1,000	\$ -	\$1,000
Railroad Grade Warning Devices Replacement	\$2,500	\$ -	\$2,500
Port Development Assistance	\$3,000	\$3,000	\$ -
Lower Minnesota River Watershed	\$ -	\$ -	\$ -
Range Regional Airport	\$3,700	\$3,700	\$ -
Duluth Airport	\$11,700	\$ -	\$11,700
Thief River Falls Airport	\$2,097	\$ -	\$2,097
Rochester Maintenance Facility	\$26,430	\$ -	\$26,430
Arden Hills Training Center	\$6,500	\$6,500	\$ -
Maple Grove Truck Station	\$15,800	\$ -	\$15,800
Little Falls Truck Station	\$3,300	\$ -	\$3,300
Maplewood Bridge Crew Building	\$3,000	\$ -	\$3,000
Design - Willmar HQ, Plymouth TS	\$700	\$ -	\$700
Hoffman Yard	\$1,000	\$1,000	\$ -
State Road Construction	\$30,000	\$ -	\$30,000
Trunk Highway Interchanges	\$70,000	\$ -	\$70,000
Metropolitan Council			
Transit Capital Improvement Program	\$43,500	\$ 43,500	\$ -
Total	\$299,727	\$ 60,200	\$ 239,527

Department of Transportation

- **Local Bridge Replacement.** \$66 million in GO bonds to replace or rehabilitate bridges owned by local governments. Of this amount \$1.8 million was set aside for the Fergus Falls Tower Road Bridge, \$7 million for the Northtown Rail Yard Bridge in the City of Minneapolis, and up to \$10 million for the Hennepin County Lowry Avenue Bridge.
- **Rail Projects.** \$10.5 million in GO bonds for improvements to rail lines, service, and crossings. Of this, \$2 million was appropriated to the Department of Transportation for the Rail Service Improvement Program to match federal grants for rail-highway grade crossing improvement projects. In addition, \$2.5 million in GO bonds was appropriated for replacing aging warning devices where railroads cross highways with 800,000 of this amount for at-grade railroad crossing improvements in the City of Grand Rapids. Also, \$5 million was appropriated for a grant to the Minnesota Valley Regional Rail Authority to rehabilitate and make capital improvements to the railroad track between Gaylord and Winthrop. Lastly, \$1 million was appropriated to match federal funds related to the extension for the Northstar Commuter Rail Line from Big Lake to Saint Cloud.
- **Airport Projects.** \$13.8 million in GO bonds for grants to the cities of Duluth and Thief River Falls for improvements to their airports. The grant to the City of Duluth totaled \$11.7 million and was designated for phase two of the new terminal facilities at the Duluth International Airport. In addition, the City of Thief River Falls received a grant of \$2.1 million for a multipurpose hangar at the Thief River Falls Regional Airport.
- **Department of Transportation Buildings and Facilities.** MnDOT received a total of \$49.2 million in funding for its buildings and facilities, including \$26.4 million in trunk highway bonds and \$22.8 million in trunk highway fund cash. Projects include:
 - **Rochester Maintenance Facility:** \$26.4 million in trunk highway bonds for site preparation and construction of a maintenance facility at the district headquarters. This is a two phase project and additional funds will be requested in 2012.
 - **Maple Grove Truck Station:** \$15.8 million in trunk highway fund cash for a truck station and mechanics facility. The new facility will replace an existing facility and will allow MnDOT to combine functions currently occurring at multiple locations.
 - **Little Falls Truck Station:** \$3.3 million in trunk highway fund cash for a new truck station and vehicle maintenance facility in Little Falls. This includes both design fees and construction costs for the project.
 - **Maplewood Bridge Crew Building:** \$3.0 million in trunk highway fund cash for a new bridge crew building in Maplewood, which would be located on an existing site adjacent to the metro district's fleet management section. This includes both design fees and construction costs for the project.
 - **Design Fees for the Willmar Headquarters and Plymouth Truck Station:** \$700,000 in trunk highway fund cash. Of this, \$380,000 is for the Plymouth Truck Station for schematic design, design development, and investigative portions for designing the truck station. The truck station will either be an addition to or in place of the current station. The remaining \$320,000 is for initial design fees for a new vehicle storage facility at the Willmar Headquarters.

- **State Road Construction and Interchanges.** \$100 million in trunk highway bonds for state road construction and interchange projects in Chapter 388. Of this amount, \$70 million was authorized for the construction of interchanges that impact economic development, increase employment, decrease traffic congestion, or enhance safety. Chapter 388 also authorizes \$30 million for state road construction projects, including program delivery. In addition, Chapter 189 advances \$200 million in bonds - \$100 million from FY 2017 and \$100 million from FY 2018 – for fiscal years 2011 and 2012.

Metropolitan Council

- **Transitway Corridor Program.** \$43.5 million was passed by the legislature for this program. However, the Governor vetoed the appropriation.

Implications and Considerations

Two aspects of the transportation appropriations are important to note. First, the trunk highway fund appropriations within Chapters 189 and 388 make up 62 percent of the appropriations within the transportation area. The impact on the trunk highway fund in the FY 2010-11 biennium is estimated to total \$26 million, and the impact in the FY 2012-13 biennium is estimated to be \$42 million. In addition, there will be on-going debt service costs related to the new appropriations totaling \$127 million in trunk highway bonds as well as the provisions which advance \$200 million in trunk highway bonds from fiscal years 2017 and 2018 to fiscal years 2011 and 2012. Prior to the passage of Chapters 189 and 388, the trunk highway fund balance was estimated to total \$146 million at the end of the FY 2010-11 biennium and \$281 million at the end of the FY 2012-13 biennium. Based on the current forecast and total changes made during the 2010 session, the trunk highway fund will have a balance of approximately \$114.5 million at the end of the FY 2010-11 biennium and approximately \$206.7 million at the end of the FY 2012-13 biennium. However, these balances are subject to change with fluctuations in motor fuel, license tab, and motor vehicle sales tax revenues.

Second, the Governor's vetoes are primarily focused on non-road-related modes of transportation, including transit, airports, and rail. Of the \$60 million in vetoes in the transportation area, \$46 million of the vetoed appropriations were for transit projects, including \$43.5 million for metropolitan area transit and \$2.5 million for greater Minnesota transit. Because of the \$43.5 million transitway corridor program appropriation veto, the state may not be eligible to receive \$34 million in federal funds for the Union Depot project; the Ramsey County Regional Rail Authority may provide the \$8.5 million match needed, but it is unclear if they will do this. In addition, the southwest transitway, Cedar Avenue BRT, rush line corridor, Bottineau Boulevard corridor, and other corridors and transitways are likely to be impacted by this veto. The remaining \$14.2 million in vetoes were related to ports, an airport project in northeastern MN, a MnDOT training center in Arden Hills, and a rail project in Saint Paul.

For further information on Transportation finance issues contact Koryn Zewers, House Fiscal Analysis Department at 651-296-4178 or Koryn.Zewers@house.mn.

This page intentionally left blank

2010 Capital Budget - Laws 2010, Chapter 189

(all \$ in thousands)

AGENCY Project Title	Fund	Chapter 189 Including Vetoes	Conference Report 3/9/2010	Governor's Recs. 1/15/2010
UNIVERSITY OF MINNESOTA				
HEAPR	GO	\$ 56,000	\$ 56,000	\$ 40,000
Folwell Hall	GO	\$ 23,000	\$ 23,000	\$ -
Physics and Nanotechnology	GO	\$ 4,000	\$ 4,000	\$ 53,333
American Indian Learning Resource Center	GO	\$ -	\$ 6,667	\$ -
Itasca Biological Station - New Station and Lakeside Lab Renovation	GO	\$ -	\$ 3,667	\$ -
Laboratory Renovation	GO	\$ 6,667	\$ 6,667	\$ 6,667
	Total - GO	\$ 89,667	\$ 100,001	\$ 100,000
MN STATE COLLEGES & UNIVERSITIES				
HEAPR	GO	\$ 52,000	\$ 52,000	\$ 50,000
Alexandria Technical College - Main Building Renovation and Addition	GO/UF	\$ 200	\$ 200	\$ -
Anoka Ramsey CC, Coon Rapids - Fine Arts Building Renovation	GO/UF	\$ -	\$ 5,357	\$ -
Anoka Ramsey CC, Coon Rapids - Bioscience and Allied Health Addition	GO/UF	\$ -	\$ 400	\$ -
Bemidji State University - Business Building Addition Design and Demolition	GO/UF	\$ -	\$ -	\$ -
Dakota County Technical College - Transportation and Emerging Technologies Lab	GO/UF	\$ -	\$ 300	\$ -
Hennepin Technical College - Learning Resource and Student Services Renovation	GO/UF	\$ -	\$ 10,566	\$ -
Lake Superior Community and Technical College - Health Science Center	GO/UF	\$ 12,098	\$ 12,098	\$ 12,098
Metro State University - Classroom Center	GO/UF	\$ 5,860	\$ 5,860	\$ -
Metro State University - Science Education Center Design and Property Acquisition	GO/UF	\$ -	\$ -	\$ -
Minneapolis CTC - Workforce Program Renovation	GO/UF	\$ -	\$ 12,990	\$ -
MN State CTC, Moorhead - Library and Classroom Addition	GO/UF	\$ 5,448	\$ 5,448	\$ -
MN State University, Mankato - Clinical Science Building Design	GO/UF	\$ -	\$ 1,908	\$ -
MN State Moorhead - Livingston Lord Library and Information Technology Renovation	GO/UF	\$ -	\$ 14,901	\$ -
MNWest CTC, Worthington - Field House Renovation	GO/UF	\$ -	\$ -	\$ -
MN West CTC, Canby - Wind Turbine Training Facility Canby Campus	GO/UF	\$ -	\$ 200	\$ -
NHED Mesabi Range CTC - Shop Space Addition	GO/UF	\$ 5,477	\$ 5,477	\$ 5,477
NHED Mesabi Range CTC - Iron Range Engineering Program Facilities	GO/UF	\$ -	\$ 3,000	\$ -
Normandale CC - Academic Partnership Center and Student Services	GO/UF	\$ 1,000	\$ 1,000	\$ 22,984
North Hennepin CC - Bioscience and Health Careers Center Addition	GO/UF	\$ -	\$ 600	\$ -
North Hennepin CC - Center for Business and Technology	GO/UF	\$ 14,782	\$ 14,782	\$ 14,782
Ridgewater CTC, Willmar - Technical Instruction Renovation	GO/UF	\$ -	\$ 14,300	\$ -
Rochester CTC - Workforce Center Co-location	GO/UF	\$ -	\$ 3,238	\$ -
Rochester CTC - Workforce Center Co-location (DEED Lease Funding)	UF	\$ -	\$ 5,262	\$ -
South Central College, Faribault - Classroom Renovation and Addition	GO/UF	\$ -	\$ 13,360	\$ -
SW State - Science Lab Renovation	GO/UF	\$ -	\$ 200	\$ -
SCSU - Integrated Science and Engineering Laboratory Facility	GO/UF	\$ -	\$ 42,334	\$ -
St. Cloud Technical College - Allied Health Center Renovation	GO/UF	\$ 5,421	\$ 5,421	\$ 5,421
Systemwide Classroom Initiative and Demolition	GO/UF	\$ 3,883	\$ 3,883	\$ 3,883
Science, Technology, Engineering and Math Initiative	GO/UF	\$ -	\$ 4,835	\$ -
Property Acquisition	GO/UF	\$ -	\$ -	\$ -
	Total	\$ 106,169	\$ 239,920	\$ 114,645
	GO	\$ 88,113	\$ 173,772	\$ 93,097
	UF	\$ 18,056	\$ 66,148	\$ 21,548
DEPARTMENT OF EDUCATION				
Independent School District, Red Lake Capital Loan (Maximum Effort)	GO	\$ -	\$ 5,780	\$ -
Library Accessibility and Improvement Grants	GO	\$ -	\$ 2,000	\$ -
	Total - GO	\$ -	\$ 7,780	\$ -
MINNESOTA STATE ACADEMIES				
Asset Preservation	GO	\$ 2,000	\$ 2,000	\$ 2,000
Independent Living Housing	GO	\$ 500	\$ 500	\$ -
	Total - GO	\$ 2,500	\$ 2,500	\$ 2,000
PERPICH CENTER FOR ARTS EDUCATION				
Alpha Building Demolition	GO	\$ 755	\$ 755	\$ 755
Delta Dorm Windows	GO	\$ 489	\$ 489	\$ 489
Storage Building	GO	\$ 129	\$ 129	\$ -

2010 Capital Budget - Laws 2010, Chapter 189

(all \$ in thousands)

AGENCY Project Title	Fund	Chapter 189 Including Vetoed	Conference Report 3/9/2010	Governor's Recs. 1/15/2010
	Total - GO	\$ 1,373	\$ 1,373	\$ 1,244
DEPARTMENT OF NATURAL RESOURCES				
Natural Resource Asset Preservation	GO	\$ 1,000	\$ 1,000	\$ 7,500
Flood Hazard Mitigation	GO	\$ 63,500	\$ 63,500	\$ 50,000
Ground Water Monitoring and Observation Wells	GO	\$ 1,000	\$ 1,000	\$ 1,000
Dam Renovation and Removal	GO	\$ 4,000	\$ 4,750	\$ 4,000
Lanesboro Dam (House-\$900,000 w/in approp)				
Coon Rapids Dam (House-\$2M w/in approp; Conference-\$750,000 w/in approp)				
Water Control Structures	GO	\$ -	\$ -	\$ -
Lake Zumbro Restoration, Olmsted and Wabasha Counties	GO	\$ -	\$ -	\$ -
WMA and AMA Land Acquisition & Improvement (House - AMA only)	GO	\$ 1,000	\$ 1,000	\$ 4,000
RIM Critical Habitat Match	GO	\$ 3,000	\$ 3,000	\$ 2,000
Native Prairie Conservation and Protection	GO	\$ -	\$ -	\$ 500
Scientific and Natural Area Acquisition and Development	GO	\$ -	\$ 4,500	\$ 500
Forest Stand Improvement	GO	\$ -	\$ -	\$ 2,000
Forests for the Future	GO	\$ 500	\$ 500	\$ 500
State Forest Land Reforestation	GO	\$ 3,000	\$ 3,000	\$ 3,500
Forest Roads and Bridges	GO	\$ 1,000	\$ 1,000	\$ 2,000
Shade Tree Program	GO	\$ 3,000	\$ 3,000	\$ 2,000
State Park Rehabilitation (See below for Senate)	GO	\$ 4,659	\$ 4,659	\$ -
State Park and Recreation Area Acquisition	GO	\$ 2,150	\$ 2,150	\$ -
State Park & Recreation Area Development	GO	\$ -	\$ -	\$ -
Cuyuna Country State Recreation Area	GO	\$ 1,250	\$ 1,250	\$ -
Glendalough State Park	GO	\$ 350	\$ 350	\$ -
Split Rock Lighthouse State Park (Conference-see above acquisition)	GO	\$ -	\$ -	\$ -
William O'Brien State Park (Conference-see above acquisition)	GO	\$ -	\$ -	\$ -
Bertram Chain of Lakes Regional Park - Wright County	GO	\$ -	\$ -	\$ -
State Trail Rehabilitation (Senate-\$5M see below in state trail acqu)	GO	\$ 4,000	\$ 4,000	\$ -
State Trail Acquisition and Development (conf. amts are up to)	GO	\$ -	\$ 21,423	\$ -
Blazing Star (Senate & Conference-\$1.0M w/in approp)				
Brown's Creek (Senate & Conference-\$1M w/in approp)				
Casey Jones (Senate & Conference-\$2M w/in approp)				
Camp Ripley/Mississippi River Cross Roads Trail (Conference-\$2M w/in approp; House-see regional trails and trail connections)				
Cuyuna Lakes (Senate & Conference \$1M w/in approp)				
Gateway (Senate & Conference-\$2M w/in approp)				
Gitchi Gami (Senate & Conference-\$1M w/in approp)				
Glacial Lakes (Senate & Conference-\$2M w/in approp)				
Goodhue Pioneer (Senate & Conference-\$1.3M w/in approp)				
Heartland (Senate & Conference-\$1.5M w/in approp)				
Luce Line (Senate & Conference-\$2.373M w/in approp)				
Mill Towns (Senate & Conference-\$550,000 w/in approp)				
Minnesota River (Senate & Conference-\$400,000 w/in approp)				
Roebing Suspension Ped Bridge (Senate-\$512,000 w/in approp; House & Conference-see above in regional trails)				
Paul Bunyan (Senate & Conference-\$1.8M w/in approp)				
Shooting Star (Senate & Conference-\$1.5M w/in approp)				
Stage Coach (Senate-\$400,000 w/in approp)				
Rehabilitation (Senate-\$5M w/in approp; House & Conference-see above in state trail rehab)				
Regional Trail - Northwoods Regional ATV Trail	GO	\$ 500	\$ 500	\$ -
Regional Trails and Trail Connections	GO	\$ 3,292	\$ 3,292	\$ -
Soo Line Trail (House & Conference-\$55,000 w/in approp)				
Lake Byllesby-Mill Towns Connection (House & Senate-\$1.5M w/in approp)				
Roebing Suspension Ped Bridge (House & Conference-\$512,000 w/in approp; Senate-\$512,000 in state trail acqu)				
Carey Lake Bike Trail (House, Senate, & Conference-\$175,000 w/in approp)				
Douglas State Trail Connection (In approp: House-\$413,000; Senate-\$1.5M; Conference \$1.0M)				
Rocori Trail Phase I (House, Senate, & Conference-\$800,000 w/in approp)				
Dairyland Trail (House, Senate, & Conference-\$250,000 w/in approp)				
Shingobee Connection Trail (House-\$1.4M w/in approp; Senate & Conference-\$500,000 w/in approp)				
Stagecoach Trail (House-\$400,000 w/in approp)				
Camp Ripley/Mississippi River Cross Roads Trail (House-\$2M w/in approp; Conference-see state trail acqu & devel)				
Dakota Rail Regional Trail (Senate-\$343,000 w/in approp)				
St. Mathias Trail Paving - Fort Ripley	GO	\$ 50	\$ 50	\$ -
Rum River Buffer and Bridge Replacement	GO	\$ 130	\$ 130	\$ -
Fort Snelling Upper Bluff	GO	\$ 1,200	\$ 1,200	\$ -
Lake Superior Campground Expansion	GO	\$ -	\$ 1,000	\$ -

2010 Capital Budget - Laws 2010, Chapter 189

(all \$ in thousands)

AGENCY Project Title	Fund	Chapter 189 Including Vetoes	Conference Report 3/9/2010	Governor's Recs. 1/15/2010
State Park, State Recreation Area, and State Trail Acquisition	GO	\$ -	\$ -	\$ 6,000
Community Conservation Assistance	GO	\$ -	\$ -	\$ 500
Facility Consolidation	GO	\$ -	\$ -	\$ 2,500
	Total - GO	\$ 98,581	\$ 126,254	\$ 88,500
POLLUTION CONTROL AGENCY				
Closed Landfill Clean Up Program	GO	\$ 8,700	\$ 8,700	\$ 10,000
Capital Assistance Program	GO	\$ 5,075	\$ 5,575	\$ 4,000
Becker County Transfer Facility (House-\$1.8M w/in approp; Senate & Conference-\$500,000 w/in approp)				
Perham Resource Recovery Facility (Senate & Conference-\$5.075 w/in approp; House-\$1M in DEED)				
Pope-Douglas Waste-to-Energy Facility (House-\$5M w/in approp; Senate-\$6M w/in approp)				
Redwood County Recycling Center (House-\$1.911 w/in approp)				
	Total - GO	\$ 13,775	\$ 14,275	\$ 14,000
WATER AND SOIL RESOURCES BOARD				
RIM Conservation Easements	GO	\$ -	\$ 25,000	\$ 4,000
Cedar River and Turtle Creek Watershed Districts (House & Conference-At least \$2M w/in approp)				
Red River Basin (House & Conference-Up to \$8M w/in approp)				
Rum River Watershed (House & Conference-Up to \$500,000 w/in approp)				
Area II (House-Up to \$500,000 w/in approp; Conference-Up to \$2M w/in approp)				
7-County Metro (House & Conference-\$7.5 million w/in approp)				
Bear Lake Watershed (Conference-Up to \$400,000)				
Wetland Replacement Due to Public Road Projects	GO	\$ 2,500	\$ 2,500	\$ 4,200
Program Implementation (Senate-\$200,000 w/in approp)				
Minnesota River Area II Grants	GO	\$ -	\$ -	\$ -
	Total - GO	\$ 2,500	\$ 27,500	\$ 8,200
MINNESOTA ZOOLOGICAL GARDENS				
Asset Preservation and Exhibit Renewal	GO	\$ 6,000	\$ 6,000	\$ 6,000
Minnesota Zoo (House & Conference-\$6M w/in approp)				
Como Zoo (House-\$11M w/in approp; Others - See Met Council)				
Duluth Zoo (House-\$500,000 w/in approp; Conference-See DEED)				
Master Plan	GO	\$ 15,000	\$ 15,000	\$ 15,000
	Total - GO	\$ 21,000	\$ 21,000	\$ 21,000
ADMINISTRATION				
Capital Asset Preservation and Replacement Account (CAPRA)	GO	\$ 2,000	\$ 2,000	\$ 2,000
Asset Preservation	GO	\$ 8,075	\$ 8,075	\$ 8,700
Capitol Campus Security Upgrades (In approp: House-\$500,000; Senate-\$750,000; Conference-\$1.25M)				
Governor's Residence (Senate & Conference-\$75,000 w/in approp)				
Cooperative Local Facilities Grants	GO	\$ -	\$ 1,000	\$ -
Police, Firefighters, and Veterans Memorial - Eagan	GO	\$ 100	\$ 100	\$ -
Agency Relocation	GF	\$ -	\$ -	\$ 200
	Total	\$ 10,175	\$ 11,175	\$ 10,900
	GO	\$ 10,175	\$ 11,175	\$ 10,700
	GF	\$ -	\$ -	\$ 200
AMATEUR SPORTS COMMISSION				
Mighty Ducks Grants	GO	\$ -	\$ -	\$ -
Big Lake (Senate-\$500,000 w/in approp)				
Dassel-Cokato (Senate-\$500,000 w/in approp)				
Fergus Falls (Senate-\$500,000 w/in approp)				
New Hope (Senate-\$500,000 w/in approp)				
Women's Hockey Center - Blaine	GO	\$ 950	\$ 950	\$ -
National Volleyball Center, Rochester - Phase 2	GO	\$ 4,000	\$ 4,000	\$ -
SW Regional Sports Center - Marshall	GO	\$ -	\$ -	\$ -

2010 Capital Budget - Laws 2010, Chapter 189

(all \$ in thousands)

AGENCY Project Title	Fund	Chapter 189 Including Vetoes	Conference Report 3/9/2010	Governor's Recs. 1/15/2010
NW Regional Sports Center - Moorhead	GO	\$ -	\$ 3,500	\$ -
	Total - GO	\$ 4,950	\$ 8,450	\$ -
MILITARY AFFAIRS				
Asset Preservation	GO	\$ 4,000	\$ 4,000	\$ 8,000
Facility Life Safety Improvements	GO	\$ 1,000	\$ 1,000	\$ 1,000
Facility ADA Compliance	GO	\$ 900	\$ 900	\$ 900
Cedar Street Armory, Saint Paul	GO	\$ 5,000	\$ 5,000	\$ 5,530
Camp Ripley Troop Support Facility	GO	\$ 1,000	\$ 1,000	\$ 1,061
	Total - GO	\$ 11,900	\$ 11,900	\$ 16,491
PUBLIC SAFETY				
Emergency Management Training Facility - Camp Ripley	GO	\$ 6,000	\$ 6,000	\$ 10,000
Emergency Operations Center (Arden Hills)	GO	\$ 2,250	\$ 2,250	\$ 2,250
Maplewood - East Metro Regional Fire Training Facility	GO	\$ -	\$ 3,000	\$ -
Minneapolis - Emergency Operations Center and Fire Training Facility	GO	\$ 750	\$ 750	\$ -
Marshall - MN Emergency Response and Training Center (MERIT)	GO	\$ 1,000	\$ 1,000	\$ -
Princeton - Public Safety Facility	GO	\$ -	\$ 2,000	\$ -
Annandale Tactical Training Center	GO	\$ -	\$ -	\$ -
Scott County Safety Training Facility	GO	\$ -	\$ -	\$ -
	Total - GO	\$ 10,000	\$ 15,000	\$ 12,250
DEPARTMENT of TRANSPORTATION				
Local Bridge Replacement and Rehabilitation	GO	\$ 66,000	\$ 66,000	\$ 75,000
Fairmont Bridge (House & Senate-\$1M w/in approp)				
Fergus Falls Tower Road Bridge (House & Senate-\$1.5M w/in approp; Conference-\$1.8M w/in approp)				
Hennepin County Lowry Avenue Bridge (House, Senate, & Conference-up to \$10M w/in approp)				
City of Minneapolis Northtown Rail Yards Bridge (House, Senate, & Conference-\$7M w/in approp)				
Greater MN Transit	GO	\$ -	\$ 2,500	\$ -
Northfield Multi-Modal Hub (House & Conference-\$520,000 w/in approp)				
Rail Service Improvement	GO	\$ 2,000	\$ 2,000	\$ -
Minnesota Valley Railroad Track Rehabilitation	GO	\$ 5,000	\$ 5,000	\$ -
Northstar Commuter Rail Extension	GO	\$ 1,000	\$ 1,000	\$ -
Railroad Grade Warning Devices Replacement	GO	\$ 2,500	\$ 2,500	\$ 2,500
At Grade RR Crossing Improvements in Grand Rapids (House & Conference-\$900,000 w/in approp)				
Port Development Assistance	GO	\$ -	\$ 3,000	\$ -
Lower Minnesota River Watershed	GO	\$ -	\$ -	\$ -
Range Regional Airport	GO	\$ -	\$ 3,700	\$ -
Duluth Airport	GO	\$ 11,700	\$ 11,700	\$ -
Thief River Falls Airport	GO	\$ 2,097	\$ 2,097	\$ -
Rochester Maintenance Facility	THB	\$ 26,430	\$ 26,430	\$ 26,430
Arden Hills Training Center	THB	\$ -	\$ 6,500	\$ -
Maple Grove Truck Station	THF	\$ 15,800	\$ 15,800	\$ 15,800
Little Falls Truck Station	THF	\$ 3,300	\$ 3,300	\$ 3,300
Maplewood Bridge Crew Building	THF	\$ 3,000	\$ 3,000	\$ 3,000
Design - Willmar HQ, Plymouth TS	THF	\$ 700	\$ 700	\$ 700
Hoffman Yard	GO	\$ -	\$ 1,000	\$ -
Local Road Improvement Fund Grants	GO	\$ -	\$ -	\$ 20,000
Southern Rail Corridor	GO	\$ -	\$ -	\$ 2,000
	Total	\$ 139,527	\$ 156,227	\$ 148,730
	GO	\$ 90,297	\$ 100,497	\$ 99,500
	THF	\$ 22,800	\$ 22,800	\$ 22,800
	THB	\$ 26,430	\$ 32,930	\$ 26,430
METROPOLITAN COUNCIL				
Transit Capital Improvement Program	GO	\$ -	\$ 43,500	\$ 10,000
I-94 Park-and-Ride in Woodbury (House-\$1.5M w/in approp)				
Light Rail Transit Improvements Near the Capitol (Senate-\$1.2M w/in approp)				

2010 Capital Budget - Laws 2010, Chapter 189

(all \$ in thousands)

AGENCY Project Title	Fund	Chapter 189 Including Vetoes	Conference Report 3/9/2010	Governor's Recs. 1/15/2010
Metropolitan Cities Inflow and Infiltration Grants	GO	\$ 3,000	\$ 3,000	\$ -
Metropolitan Council Priorities - Parks and Trails	GO	\$ 10,500	\$ 10,500	\$ 3,000
Como Zoo (House-\$11M See MN Zoo)	GO	\$ 11,000	\$ 11,000	\$ -
Dakota Rail Regional Trail, Pedestrian and Bicycle Tunnel (Senate-see DNR)	GO	\$ -	\$ -	\$ -
Minneapolis Sculpture Garden	GO	\$ -	\$ 2,000	\$ -
Old Cedar Avenue Bridge	GO	\$ 2,000	\$ 2,000	\$ -
Phalen-Keller Regional Park	GO	\$ -	\$ 1,100	\$ -
Rock Island Bridge Park and Trail Development	GO	\$ 1,000	\$ 1,000	\$ -
Springbrook Nature Center	GO	\$ -	\$ 2,000	\$ -
Theodore Wirth Olympic Training Center	GO	\$ -	\$ 1,000	\$ -
Veterans Memorial Parks	GO	\$ 2,000	\$ 2,000	\$ -
Midtown Farmers Market	GO	\$ -	\$ -	\$ -
	Total - GO	\$ 29,500	\$ 79,100	\$ 13,000
DEPARTMENT OF HEALTH				
Gillette Children's Specialty Healthcare, Ramsey County	GO	\$ 10,000	\$ 10,000	\$ -
Hyperbaric Oxygen Chamber (HCMC), Hennepin County	GO	\$ 5,000	\$ 5,000	\$ -
	Total - GO	\$ 15,000	\$ 15,000	\$ -
DEPARTMENT of HUMAN SERVICES				
Asset Preservation	GO	\$ 2,000	\$ 2,000	\$ 3,000
Early Childhood Learning and Child Protection Facilities	GO	\$ -	\$ 2,000	\$ -
Remembering with Dignity	GO	\$ 125	\$ 125	\$ -
Moose Lake MSOP Phase II	GO	\$ 47,500	\$ 47,500	\$ 89,072
Brainerd Campus Redevelopment/Reuse/Demo	GO	\$ -	\$ -	\$ 5,782
	Total - GO	\$ 49,625	\$ 51,625	\$ 97,854
VETERANS AFFAIRS DEPARTMENT				
Asset Preservation	GO	\$ 4,000	\$ 4,000	\$ 6,490
Luverne Veterans Home Entrance Enclosure	GO	\$ 450	\$ 450	\$ 450
Minneapolis Building 17	GO	\$ 9,450	\$ 9,450	\$ 9,450
Vets Home - Kandiyohi County	GO	\$ -	\$ -	\$ -
	Total - GO	\$ 13,900	\$ 13,900	\$ 16,390
DEPARTMENT OF CORRECTIONS				
Asset Preservation	GO	\$ 8,000	\$ 8,000	\$ 8,000
ARMER Radio System Migration	GO	\$ 5,800	\$ 5,800	\$ 7,405
MCF, Oak Park Heights - Exterior Intrusion Detection System Upgrade	GO	\$ 3,529	\$ 3,529	\$ 3,529
MCF, Oak Park Heights - Security System Upgrade	GO	\$ 6,500	\$ 6,500	\$ 6,500
	Total - GO	\$ 23,829	\$ 23,829	\$ 25,434
EMPLOYMENT AND ECONOMIC DEVELOPMENT				
Greater MN Business Development Infrastructure Grant Program	GO	\$ 10,000	\$ 10,000	\$ -
North Branch Business Parks (Senate & Conference-\$1M w/in approp)				
Pine Tech (House, Senate, & Conference-\$200,000 w/in approp)				
Perham Resource Recovery Facility (House-\$1M w/in approp; Senate & Conference-see PCA)				
Voyageurs National Park Wastewater Collection and Treatment (House & Conference-\$285,000 w/in approp)				
Innovative Business Development Public Infrastructure Grant Program	GO	\$ 4,000	\$ 4,000	\$ -
Redevelopment Account	GO	\$ 5,000	\$ 5,000	\$ 15,000
Lake Elmo Infrastructure (House, Senate, Conference-\$2M w/in approp)				
Bemidji - Headwaters Science Center	GO	\$ -	\$ 475	\$ -
Chatfield - Potter Center for the Arts	GO	\$ -	\$ 2,200	\$ -
Duluth Zoo (House-See MN Zoo)	GO	\$ 200	\$ 200	\$ -
Hennepin County - MN African American History Museum and Cultural Center	GO	\$ -	\$ 840	\$ -
Mankato - Civic Center and All Seasons Arena	GO	\$ -	\$ 12,000	\$ -
Minneapolis - Granary Road Storm Water Infrastructure	GO	\$ -	\$ 4,000	\$ -

2010 Capital Budget - Laws 2010, Chapter 189

(all \$ in thousands)

AGENCY Project Title	Fund	Chapter 189 Including Vetoed	Conference Report 3/9/2010	Governor's Recs. 1/15/2010
Minneapolis - Orchestra Hall	GO	\$ 16,000	\$ 16,000	\$ -
Ramsey County - Rice Street Bioscience Corridor	GO	\$ 5,000	\$ 5,000	\$ -
Ramsey - Water Recycling Treatment Plant	GO	\$ -	\$ -	\$ -
Rochester - Mayo Civic Center Complex	GO	\$ -	\$ 28,000	\$ -
St. Cloud - Civic Center Expansion	GO	\$ -	\$ 13,000	\$ -
St. Louis County - Arrowhead Regional Event Facilities	GO	\$ -	\$ 250	\$ -
St. Paul - Asian Pacific Cultural Center	GO	\$ -	\$ 5,000	\$ -
St. Paul - Ordway Center for Performing Arts	GO	\$ 16,000	\$ 16,000	\$ -
St. Paul - Regional Baseball Facility Predesign	GO	\$ -	\$ -	\$ -
MN Business Dev. Public Infrastructure Grant Program	GO	\$ -	\$ -	\$ 25,000
	Total - GO	\$ 56,200	\$ 121,965	\$ 40,000
PUBLIC FACILITIES AUTHORITY				
State Matching Funds for Federal Grants	GO	\$ 30,000	\$ 30,000	\$ 30,000
Drinking Water Revolving Loan Fund (House, Senate, & Conference-\$10.8M w/in approp)				
Clean Water Revolving Fund (Senate-\$19.2M w/in approp)				
Wastewater Infrastructure Funding Program	GO	\$ 27,000	\$ 27,000	\$ 20,000
Program Implementation (House-Up to \$400,000 w/in approp; Senate-Up to \$600,000 w/in approp)				
City of Williams Corrective Action (Senate & Conference-Up to \$2.8M w/in approp)				
Wastewater Infrastructure Fund - Admin	GF	\$ -	\$ -	\$ 400
	Total	\$ 57,000	\$ 57,000	\$ 50,400
	GO	\$ 57,000	\$ 57,000	\$ 50,000
	GF	\$ -	\$ -	\$ 400
HOUSING FINANCE AGENCY				
Public Housing	GO	\$ -	\$ 10,000	\$ -
MHFA Bonds (See Statutory Appropriation Section)*				
	Total - GO	\$ -	\$ 10,000	\$ -
MINNESOTA HISTORICAL SOCIETY				
Historic Sites Asset Preservation	GO	\$ 3,400	\$ 3,400	\$ 3,400
County and Local Preservation Grants	GO	\$ 1,000	\$ 1,000	\$ -
Navy Hangar Renovation (Senate & Conference-\$150,000 w/in approp)				
Oliver H. Kelley Farm Historic Site	GO	\$ -	\$ 9,357	\$ -
	Total - GO	\$ 4,400	\$ 13,757	\$ 3,400
MN Management and Budget				
Bond Sale Expenses	GO	\$ 1,064	\$ 1,064	\$ 740
Bond Sale Expenses	THB	\$ 15	\$ 15	\$ 25
	Total	\$ 1,079	\$ 1,079	\$ 765
	GO	\$ 1,064	\$ 1,064	\$ 740
	THB	\$ 15	\$ 15	\$ 25
Cancellations				
Rushford - Institute of Nanotechnology (2005 Session, Ch. 20)	GO	\$ (600)	\$ (600)	\$ -
MnDOT - Building Exterior (2008 Session, Ch. 152)	THB	\$ (9,500)	\$ (9,500)	\$ (9,500)
MnDOT - Urban Partnership Agreement (2008 Session, Ch. 152)	THB	\$ (9,000)	\$ (9,000)	\$ -
Admin - BCA Headquarters (2000 Session, Ch. 492 & 2002 Session, Ch. 374)	GO	\$ (525)	\$ (525)	\$ (525)
Public Safety - State and Local Match (2009 Session, Ch. 93, Art. 2)	GO	\$ (3,900)	\$ (3,900)	\$ -
Admin - Various Account Closures	GO	\$ (1,403)	\$ (1,403)	\$ (1,403)
DEED - Minneapolis Planetarium (2005 Session, Ch. 20)	GO	\$ -	\$ -	\$ (22,000)
DNR - State Facility Rehabilitation (2007 Session, 1SS, Ch. 2)	GO	\$ (2,283)	\$ (2,283)	\$ (2,283)
MnDOT - Rail Service Improvement Program (2005 Session, Ch. 20)	GO	\$ -	\$ -	\$ (692)
MnDOT - Rail Service Improvement Program (2006 Session, Ch. 258)	GO	\$ -	\$ -	\$ (2,000)
MnSCU - System Demolition (2005 Session, Ch. 20)	GO	\$ -	\$ -	\$ (361)
PFA - Bayport Storm Sewer (2008 Session, Ch. 179)	GO	\$ (150)	\$ (150)	\$ -

2010 Capital Budget - Laws 2010, Chapter 189

(all \$ in thousands)

AGENCY Project Title	Fund	Chapter 189 Including Vetoed	Conference Report 3/9/2010	Governor's Recs. 1/15/2010
DEED - St. Paul Phalen Blvd. (2003 Session, Ch. 20)	GO	\$ (201)	\$ (201)	\$ -
	Total	\$ (27,562)	\$ (27,562)	\$ (38,764)
	GO	\$ (9,062)	\$ (9,062)	\$ (29,264)
	THB	\$ (18,500)	\$ (18,500)	\$ (9,500)
DIRECT APPROPRIATIONS	Cancel-GO	\$ (9,062)	\$ (9,062)	\$ (29,264)
	GO	\$ 695,349	\$ 1,008,717	\$ 713,800
	UF	\$ 18,056	\$ 66,148	\$ 21,548
	GF	\$ -	\$ -	\$ 600
	THB	\$ 26,445	\$ 32,945	\$ 26,455
	Cancel-THB	\$ (18,500)	\$ (18,500)	\$ (9,500)
	THF	\$ 22,800	\$ 22,800	\$ 22,800
	TOTAL	\$ 735,088	\$ 1,103,048	\$ 746,439
New GO Spending	GO	\$ 695,349	\$ 1,008,717	\$ 713,800
Cancellations	GO	\$ (9,062)	\$ (9,062)	\$ (29,264)
	Total GO Impact	\$ 686,287	\$ 999,655	\$ 684,536
STATUTORY APPROPRIATIONS (MHFA BONDS AND GF CASH)				
HOUSING FINANCE AGENCY (See Endnote for Statutory Appropriation Info)*				
Foreclosed Rental and Residential Property	MHFA	\$ -	\$ -	\$ 5,000
Debt Service - Non-Profit and Supportive Housing Bonds	GF	\$ -	\$ -	\$ 400
Community Land Trust in Foreclosure Impacted Areas Along Transit Corridors	MHFA	\$ -	\$ -	\$ -
Debt Service - Community Land Trust Bonds	GF	\$ -	\$ -	\$ -
		\$ -	\$ -	\$ 5,400
		\$ -	\$ -	\$ 5,000
		\$ -	\$ -	\$ 400
Total General Fund Impact Above Forecast***				
Additional Debt Service Costs: FY 2010	GF	\$ -	\$ -	\$ -
Additional Debt Service Costs: FY 2011	GF	\$ (350)	\$ 2,480	\$ (366)
General Fund Appropriations: FY 2010-2011	GF	\$ -	\$ -	\$ 600
Total: FY 2010-2011 Biennium	GF	\$ (350)	\$ 2,480	\$ 234
Additional Debt Service Costs: FY 2012	GF	\$ (1,375)	\$ 9,755	\$ (1,439)
Additional Debt Service Costs: FY 2013	GF	\$ (2,907)	\$ 20,623	\$ (3,037)
General Fund Appropriations: FY 2012-2013	GF	\$ -	\$ -	\$ 800
Total: FY 2012-2013 Biennium	GF	\$ (4,282)	\$ 30,378	\$ (3,676)
Total Trunk Highway Fund Impact Above Forecast***				
Additional Debt Service Costs from New Bonding (prelim): FY 2010	THF	\$ -	\$ -	\$ -
Additional Debt Service Costs from New Bonding (prelim): FY 2011	THF	\$ 118	\$ 215	\$ 252
Additional Debt Service Costs from Bonding Shift (prelim): FY 2010**	THF	\$ -	\$ -	\$ -
Additional Debt Service Costs from Bonding Shift (prelim): FY 2011**	THF	\$ 1,608	\$ 1,608	\$ -
Trunk Highway Fund Appropriations	THF	\$ 22,800	\$ 22,800	\$ 22,800
Total: FY 2010-2011 Biennium	THF	\$ 24,526	\$ 24,623	\$ 23,052
Additional Debt Service Costs (prelim): FY 2012	THF	\$ 464	\$ 844	\$ 990
Additional Debt Service Costs (prelim): FY 2013	THF	\$ 788	\$ 1,434	\$ 1,682
Additional Debt Service Costs from Bonding Shift (prelim): FY 2012**	THF	\$ 7,318	\$ 7,318	\$ -
Additional Debt Service Costs from Bonding Shift (prelim): FY 2013**	THF	\$ 17,270	\$ 17,270	\$ -
Trunk Highway Fund Appropriations	THF	\$ -	\$ -	\$ -
Total: FY 2012-2013 Biennium	THF	\$ 25,840	\$ 26,866	\$ 2,672

* The Governor's recommendations include up to \$400,000 per fiscal year beginning in FY 2012 in general fund cash for the debt service on \$5 million in MN Housing Finance Agency bonds. The Conference Committee Report increases the amount of MHFA bonds by \$6 million but does not increase the general fund appropriation for the debt service on these bonds.

** HF 2700, SF 2360 & CC Report amend Laws 2008, chapter 152, article 2, section 3, subdivision 2 to include an additional \$100 million in trunk highway bonding in each of FY 2011 and FY 2012. HF 2700, SF 2360 & CC Report also amend the same section of law to decrease trunk highway bond appropriations by \$100 million in each of FY 2017 and 2018. The total bonding appropriation over ten years does not change. However, debt service payments are expected to be higher in the earlier years due to the increased level of bonding in those years, as noted above.

*** Debt service estimates after March 4, 2010 are based on the February 2010 Forecast.