

Governor's July 2009 Unallotments
FY 2010-11 and FY 2012-13 Planning Estimates

(\$'s in Thousands)
 Negative revenue = revenue increase;
 Negative expenditure = spending decrease.

	<u>Type</u>	<u>Unit</u>	As Implemented <u>FY 2010</u>	As Implemented <u>FY 2011</u>	As Implemented <u>FY 2010-11</u>	<u>FY2012-13</u>
1	Budget Balance, 2009 End-of-Session*				-2,676,292	-3,105,180
2						
3	Property Tax Recognition Adjustment**	Exp		-600,672	-600,672	
4	School Aid Payment Deferral**	Exp	-1,068,593	1,068,593	0	1,170,360
5	School Aid Payment Deferral**			-1,170,360	-1,170,360	
6	MDE Education Agency Operations	Exp 001	-389.5	-431.5	-821	
7	MDE Board of School Administrators	Exp 004	-3.9	-3.9	-8	
8	MDE Board of Teaching	Exp 008	-14.0	-14.0	-28	
9	MDE Early Hearing Loss Intervention	Exp 017	-30.0	-40.0	-70	
10	MDE Kindergarten Entrance Assessment	Exp 079	-6.5	-6.5	-13	
11	MDE Educate Parents Partnership	Exp 080	-1.1	-1.1	-2	
12	MDE Education Department***	Exp			0	
13	K-12 Education Total		-1,069,038	-702,936	-1,771,974	1,170,360
14						
15	MNSCU	Exp			0	
16	MNSCU--Central Offices & Shared Services	Exp COS		-3,579.158	-3,579	
17	MNSCU--Operations & Maintenance	Exp GEN		-46,420.842	-46,421	
18	University of Minnesota	Exp			0	
19	UM--Maintenance & Operations	Exp 00U		-44,605.728	-44,606	
20	UM--Agriculture & Extension Services	Exp 01U		-3,857.534	-3,858	
21	UM--Health Sciences	Exp 02U		-363.865	-364	
22	UM--Institute of Technology	Exp 03U		-102.390	-102	
23	UM--Systems Specials	Exp 04U		-454.370	-454	
24	UM--St. Cloud Hospital Residency	Exp SCH		-25.542	-26	
25	UM--Mayo Partnership	Exp UMP		-590.571	-591	
26	OHE OHE*** - Agency Administration	Exp 001	-77	-77	-154	
27	Higher Education Total		-77	-100,077	-100,154	
28						
29	Delay Capital Equipment Refunds	Rev		-63,000	-63,000	63,100
30	Delay Corporate Franchise Tax Refunds	Rev		-42,000	-42,000	42,040
31	Modify WI Tax Reciprocity	Rev	-35,000	-70,700	-105,700	
32	Unallot Political Contribution Refunds	Exp 081	-4,300	-6,100	-10,400	
33	Cap SFIA Payments	Exp FLR		-5,500	-5,500	
34	Adjust Renters' Credit	Exp 036		-50,800	-50,800	
35	Local Government Aids	008	-44,620		-44,620	
36	Residential Market Value Credits	083	-21,945		-21,945	
37	Ag Market Value Credits	085	-121		-121	
38	County Program Aid	090	-33,000		-33,000	
39	Aids and Credits	Exp		-200,300	-200,300	
40	Property Tax Refund	Exp		2,757	2,757	6,585
41	Property Tax/Income Tax Interactions	Rev		2,939	2,939	7,104
42	DOR Reduce Special Timing Account	Exp		-3,870.051	-3,870	3,870
43	Tax Policy, Aids & Credits Total		-138,986	-436,574	-575,560	122,699
44						
45	DHS Reduce County Mental Health grants	Exp S28	-5,000	-3,770	-8,770	
46	DHS Eliminate 3 Chemical Dependency grants	Exp S34	-393	-393	-786	
47	DHS Cap Chemical Dependency Pymt Rates	Exp S33	-3,622	-3,622	-7,244	
48	DHS Restructure State Operated Services	Exp 090	-422	-4,588	-5,010	
49	DHS Restructure State Operated Services	Rev	-3,550	-5,870	-9,420	-11,740

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			Type	Unit	As Implemented FY 2010	As Implemented FY 2011	As Implemented FY 2010-11	FY2012-13
50	DHS	Child Support Enforcement County grants	Exp	S37	-3,400	-3,400	-6,800	
51	DHS	Eliminate Carry-forward of AICW grant	Exp	S21	-600	0	-600	
52	DHS	Reduce Children & Community Service grants	Exp	S25	-16,900	-22,500	-39,400	
53	DHS	Emergency General Assistance grants	Exp	S52	-5,267	-7,900	-13,167	
54	DHS	MN Supple. Asst Grants--Special Diet Funding	Exp	S49	-2,866	-4,300	-7,166	
55	DHS	GRH--5% Supp. Service Rate Reduction	Exp	S50	-467	-706	-1,173	
56	DHS	Suspend ICF/MR Occupancy Rate Adjust.	Exp				0	
57	DHS	MA LTC Waiver/HC grants--Suspend DD Waiver	Exp	S31	-2,318	-5,807	-8,125	
58	DHS	MA LTC Facility grants--Suspend Const. Prjts.	Exp	S32	-3,827	-3,445	-7,272	
59	DHS	Delay Continuing Care Grant Payments	Exp	S29		-1,414	-1,414	1,414
60	DHS	Con Care Admin: Elim. Redsign Council Funding	Exp	S17	-350	0	-350	
61	DHS	Deaf & Hard of Hearing grants	Exp	S27		-169	-169	169
62	DHS	Aging & Adult Services grants	Exp	S26	-3,600	-4,517	-8,117	917
63	DHS	Limit ICF/MR Variable Rates	Exp				0	
64	DHS	Reduce PCA Worker Hours to 275/Month	Exp				0	
65	DHS	Suspend Nursing Facility Rebasing	Exp				0	
66	DHS	Add'l 1.5% Reduction -- Non-Primary Care	Exp				0	
67	DHS	Add'l 1.5% Reduction -- Specialists	Exp				0	
68	DHS	Elim. MA Critical Access Dental Payments	Exp				0	
69	DHS	Elim. GF Funding for Outreach Incentives	Exp				0	
70	DHS	Aligning Asset Limits	Exp				0	
71	DHS	Refinance Transitional MnCare from HCAF						
72	DHS	End GAMC Effective March 1, 2010	Exp	S55	-15,879	0	-15,879	
73	DHS	Reduce MnDHO Rates						
74	DHS	Increase Managed Care Withhold to 9.5%	Exp				0	
75	DHS	Additional Inpatient Hosp. Payment Delay	Exp				0	
76	DHS	Add'l Non-inpatient Acute Payment Delay	Exp				0	
77	DHS	MA Basic Family & Children grants	Exp	S22	-2,331	-23,114	-25,445	21,386
78	DHS	MA Basic Elderly & Disabled grants	Exp	S23	-5,599	-37,733	-43,332	20,765
79	DHS	Health Care Administration	Exp	S15		-360	-360	
80	DHS	Administrative Operations	Exp	S20	-180		-180	
81	DHS	Health Care Administration	Exp	S15	-180		-180	
82	DHS	Administrative Operations	Exp	S20	-3,109		-3,109	
83	DHS	Financial Operations	Exp	S10		-3,282	-3,282	
84	DHS	FFP Revenue Loss	Exp			1,312.8	1,313	
85	DHS	Human Services Department Operations***	Exp				0	
86	DHS	FFP Loss - Human Services Department***	Exp		1,316		1,316	
87	MDH	Health Department Operations***	Exp				0	
88	MDH	Community and Family Health Promotion	Exp	001	-53	-355	-408	
89	MDH	Policy Quality and Compliance	Exp	002	-118	-74	-192	
90	MDH	Health Protection	Exp	003	-150	-74	-224	
91	MDH	Agency Administrative Support Services	Exp	004	-131	-22	-153	
92	MDH	Pentachlorophenol	Exp	042	-55		-55	
93	MDH	Citizens Advisory Group	Exp	043	-20		-20	
94	Health and Human Services Total				-79,071	-136,102	-215,174	32,911
95								
96		Agriculture Department***	Exp				0	
97	MDA	Pesticide and Fertilizer Management	Exp	G06	-27	-27	-54	
98	MDA	Plant Protection	Exp	G06	-63	-63	-126	

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99	MDA	Exp	G06	-133	-133	-266	
100	MDA	Exp	G84	-5	-5	-10	
101	MDA	Exp	G45	-50	-50	-100	
102	MDA	Exp	G99	-77	-77	-154	
103	MDA	Exp	G90	-69	-69	-138	
104	MDA	Exp	G08	-68	-68	-136	
105	MDA	Exp	G91	-1		-1	
106	Agriculture Total			-493	-492	-985	
107							
108		Exp				0	
109	COM	Exp	AS1	-97	-97	-194	
110	COM	Exp	EL1	-150	-150	-300	
111		Exp				0	
112	DNR	Exp	100	-30	-30	-60	
113	DNR	Exp	200	-84	-84	-168	
114	DNR	Exp	300	-135	-135	-270	
115	DNR	Exp	303	-53	-53	-106	
116	DNR	Exp	400	-379.846	-381.5	-761	
117	DNR	Exp	406	-40	-40	-80	
118	DNR	Exp	700	-230	-230	-460	
119	DNR	Exp	840	-112.5	-112.5	-225	
120	DNR	Exp	D10	-265	-265	-530	
121	DNR	Exp	E00	-46.5	-46.5	-93	
122	DNR	Exp	202	-99.154	-97.5	-197	
123	MetC	Exp	PGF	-86	-86	-172	
124		Exp				0	
125	PCA		V13	-98		-98	
126	PCA	Exp	C08		-16.24	-16	
127	PCA	Exp	G83		-30.00	-30	
128	PCA	Exp	P01	-12	-14.74	-27	
129	PCA	Exp	W01		-38.02	-38	
130	Environment & Energy Total			-1,918	-1,907	-3,825	
131							
132	DEED	Exp				0	
133	DEED	Exp	101	-62	-62	-124	
134	DEED	Exp	1D3	-25	-25	-50	
135	DEED	Exp	301	-15	-15	-30	
136	DEED	Exp	478	-11	-11	-22	
137	DEED	Exp	485	-89	-89	-178	
138	DEED	Exp	900	-83	-83	-166	
139	MHS	Exp				0	
140	MHS	Exp	EDO	-95.75	-95.75	-192	
141	MHS	Exp	PRA	-72.00	-72.00	-144	
142	DOLI	Exp	WRE	-19.8	-19.8	-40	
143	Med	Exp	MED	-16	-16	-32	
144	MHF	Exp	09A	-256	-256	-512	
145	Economic Development & Housing Total			-745	-745	-1,489	
146							
147	HRD	Exp	DHR	-79.29	-79.29	-159	

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148	Public Safety Total		-79	-79	-159	
149						
150	MetC	Metropolitan Council***			0	
151	MetC	Metro Rail Operations	-119	-119	-238	
152	MetC	Metro Transit Assistance	-1,506	-1,506	-3,012	
153	DOT	Transportation Department***			0	
154	DOT	Transit Improvement Administration	-9	-9	-18	
155	DOT	Rail Services Plan	-9	-9	-18	
156	DOT	Roosevelt Tower	-5,558	-5,558	-11	
157	Transportation Total		-1,649	-1,649	-3,297	
158						
159	ADM	Administration Department***			0	
160	ADM	Office Supply Connection	-162		-162	
161	ADM	Government and Citizen Services	-100	-200	-300	
162	Gov	Governor's Office***			0	
163	Gov	Governor's Office	-67.775	-67.775	-136	
164	Gov	Necessary Expenses	-13,000	-13,000	-26	
165	MMB	Minnesota Management & Budget***			0	
166	MMB	Statewide & Agency Operations	-459	-459	-918	
167	OET	Office of Enterprise Technology***			0	
168	OET	Office of Enterprise Technology	-33.637	-33.637	-67	
169	OET	Enterprise IT Security	-95.918	-95.918	-192	
170	DOR	DOR*--Tax Systems Management	-924.479	-949.932	-1,874	
171	State Government Finance Total		-1,856	-1,819	-3,675	
172	<i>Unallocated Statewide Agency Reductions***</i>					
173	TOTAL UNALLOTMENT		-1,293,911	-1,382,380	-2,676,291	1,325,970
174						
175	Budget Balance after Unallotment				-1	-4,431,150
176	<i>GAMC Tails at current law levels****</i>					888,660
177	<i>Property Tax Recognition Accounting Change</i>					600,672
178	<i>Estimate Budget Pressures with GAMC, Property Tax Accounting Change****</i>					-5,920,482
179	<i>Planning Estimate Inflation****</i>					1,328,000
180	<i>Estimate Budget Balance with Inflation</i>					-7,248,482

* The beginning balance reflects the balance of the enacted budget (budget bills adopted by the Legislature and signed into law by the Governor); the ending balance **FY 2011 unallotments reflect reductions to 32 separate education allotments. reductions, those amounts were later allocated to the agencies and individual allotments eventually identified by the relevant agencies.
 ** Proposed unallotments that may increase FY 2012 budget pressures; because unallotments do not change the appropriation base for FY12-13, other programs are ***** The FY 2011 appropriation for GAMC was vetoed by the Governor; the beginning FY 12-13 deficit assumes funding carries forward at zero but the program

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HISTORICAL RECAP & KEY

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The Governor announced his intention to unallot prior to the end of the legislative session.

On May 18, 2009, the Legislature adjourned, having sent the Governor bills that would have provided for a balanced biennial budget.

On May 21, 2009 the Governor vetoed Laws 2009, chapter 179, which would have raised revenue and made changes in the timing of K-12 Aid payments.

On June 16, 2009, the Governor proposed a variety of unallotments and other executive actions to be taken upon at the start of the biennium to provide for a balanced budget (see spreadsheet columns G-I).

On June 18, 2009, the Commissioner of Minnesota Management & Budget (MMB) met with the Legislative Advisory Commission (LAC) to discuss the proposal.

On Jun 25 and 29, and formally summarized in a document dated June 30, 2009, the Commissioner made adjustments to the proposed unallotment plan (see adjusted unallotment plan in spreadsheet columns K-M).

Between June 30, 2009 and implementation, unallotment plan was further adjusted and unallotments to agency budgets were identified (see notes below).

On July 16, 2009, the Commissioner notified the Legislature of implementation of some of the proposed unallotments for FY10 and FY11 (K-12 aids, local aids for FY10, higher ed and some HHS)--denoted in Green in spreadsheet columns Q-S).

Pink reflects revenue items resulting, but not reflected on documentation, from unallotments reported on July 16, 2009.

On July 17, the Commissioner provided a brief recap of the overall unallotment plan and how the administrative reductions would be allotted; an additional 2.5% for most agencies except those exempted.

On July 28, 2009, the Commissioner notified the Legislature of the implementation of most FY 2010 agency unallotments--denoted in Red in spreadsheet columns Q-S).

On August 14, 2009, the Commissioner notified the Legislature of the implementation of most FY 2011 agency unallotments--denoted in Blue in spreadsheet columns Q-S).

On January 29, 2010, the Commissioner notified the Legislature of the implementation of the remaining FY 2011 local aid unallotments--denoted in Orange in spreadsheet columns Q-S).

Gray shaded areas reflect executive actions not requiring notification and estimates for interactions (not unallotments) captured in subsequent forecasts.