

Date: March 17, 2016

To: Senator Richard Cohen, Chair, Finance Committee
Senator LeRoy Stumpf, Chair, Capital Investment Committee
Representative Jim Knoblach, Chair, Ways and Means Committee
Representative Paul Torkelson, Chair, Capital Investment Committee

From: Commissioner Myron Frans 

Subject: Update to 2016 Governor's Proposed Capital Budget

The purpose of this letter is to officially transmit an update to Governor Dayton's 2016 Capital Budget recommendations, released on January 15, 2016. The general fund impact of these changes includes additional general fund cash amounting to \$9.7 million and updated debt services costs described in the table below. The impact to the general fund as a result of these revisions is reflected in the Governor's Supplemental Budget released on March 15, 2016.

Capitol Complex Security Upgrades, \$26.2 million (New)

The Governor recommends \$7.7 million from the general fund for the design, construction, and equipment to increase physical security in and around the Andersen, Freeman, Retirement Systems, and Transportation buildings.

The Governor also recommends \$18.5 million of general obligation bond funding for the design, construction, and equipment to increase physical security in and around the Administration, Centennial, Judicial, Agriculture/Health Lab, Minnesota History Center, Minnesota History Center Loading Dock, Capitol Complex Power Plant and Shops, Stassen, State Office, and Veterans Service.

This proposal incorporates the recommendations of the Advisory Committee on Capitol Area Security.

Perspectives Family Center, \$2 million (New)

The Governor recommends \$2 million in general fund cash for the expansion and rehabilitation of the Perspectives Family Center to serve homeless and at-risk families. This project includes a new therapeutic early childhood education center, expanded children's mental health services and earth science programs.

Minnesota Department of Transportation (Revised)

In his original recommendation, Governor Dayton included \$40 million from the trunk highway fund to build and maintain DOT owned buildings across the state. This revised recommendation is

to use trunk highway bond funds for the facilities capital program at DOT, rather than trunk highway fund cash.

Lewis and Clark Regional Water System (Revised)

In his original recommendation, Governor Dayton included \$16 million in appropriation bonds for the Lewis and Clark Regional Water System, with a required non-state contribution of \$3 million. Based on additional federal funds available for this project, the Governor is revising his recommendation to \$11.5 million in state appropriation bonds, with a required non-state contribution of \$9 million.

Iron Range Resources and Rehabilitation Board (Revised)

In his original recommendation, Governor Dayton included funding to allow the IRRRB to replace one of the chairlifts at Giants Ridge and repurpose the existing lift. This revised recommendation is to install new chairlifts at Giants Ridge.

Debt Service Costs

The Governor’s original and revised capital budget recommendations result in the following debt service costs:

Recommendation	Type	FY2017	FY2018	FY2019
Original/February Forecast	GO	\$7,882	\$22,419	\$38,710
Revised	GO	\$8,172	\$23,244	\$47,608
Original/February Forecast	Appropriation	n/a	\$6,820	\$6,820
Revised	Appropriation	n/a	\$6,455	\$6,455

Individual agency staff, along with MMB executive budget officers, are prepared to answer any questions you may have on this revised recommendation.

cc: Representative Kurt Daudt, Speaker of the House
Senator Tom Bakk, Majority Leader
Representative Paul Thissen, Minority Leader
Representative Alice Hausman, DFL Lead, Capital Investment
Senator David Hann, Minority Leader
Senator David Senjem, Ranking Minority Member, Capital Investment
Bill Marx, Chief Fiscal Analyst, House

Eric Nauman, Lead Fiscal Analyst, Senate
Casey Muhm, Capital Investment Fiscal Analyst, Senate
Andy Lee, Capital Investment Fiscal Analyst, House
Brennan Furness, Policy Advisor, Governor’s Office
Joanna Dornfeld, Deputy Chief of Staff, Governor’s Office
Margaret Kelly, Assistant Commissioner, Minnesota Management and Budget