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Court of Appeals

FY16-17 Biennial Budget Change Item

Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	499	1,034	1,034	1,034
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	499	1,034	1,034	1,034
FTEs	1.2	2.8	2.8	2.8

Request:

Maintain Core Justice Operations.

The Judicial Branch seeks \$1,533,000 in the FY2016-17 biennium to increase the compensation of Court of Appeals employees, judges, and fund unavoidable health insurance premium increases. The request represents a 6.9% increase in the Court of Appeals Budget.

Rationale/Background:

In order for the Judicial Branch to continue driving innovation in our court system and improve services to Minnesotans, the Judicial Branch needs to retain and attract skilled and knowledgeable employees and judges that can maintain and operate a modern, efficient, and technology-based court system. However, the Judicial Branch faces two significant challenges:

- During the height of the recent recession, the Minnesota Judicial Branch was forced to impose a multi-year salary freeze in order to preserve essential court functions while managing difficult budget cuts. Employees and judges did not receive ongoing, permanent compensation increases between FY2008 and FY2013. Today, the Judicial Branch salary structure has become uncompetitive and consistently below market compared to other public-sector employees. Further, Minnesota judges now rank near the bottom third nationally in judicial pay. Judges in many counties make significantly less than the county attorneys who appear before them, and, in some cases even less than the assistant county attorneys.
- The second workforce challenge is a significant retirement wave among both employees and judges. Nearly one-third of current Judicial Branch staff will be 65 years old or older in the next ten years. In the last 2 years, 58 new judges have been appointed to the Bench—18% of all judges in the state. By 2019, at least 42% of all judges that were on the Bench in 2012 will have either retired, or will have turned 65 years old.

This incredible loss of experience and talent is especially concerning when paired with a below-market salary structure that is making it difficult for the Judicial Branch to compete for workers with the necessary skills.

The Court of Appeals also request funding for unavoidable health insurance increases. Health insurance premiums are estimated to increase by 7% in 2016 and 6.3% in 2017. The Judicial Branch does not negotiate its own insurance agreements – it participates in the general plan negotiated by Minnesota Management and Budget. The Judicial Branch cannot absorb these costs, and would need to divert funding from court functions to pay for these increases without additional funding.

Proposal:

This change level request is not a new initiative. The Judicial Branch's FY2016-17 biennial budget request seeks funding to increase employee and judge salaries, which will help ensure that the Judicial Branch will be ready to respond to this retirement wave, while maintaining the caliber of workforce needed to continue driving innovation within the court system.

In addition, the request for funding unavoidable health insurance increases will hold court services harmless from rising insurance costs for Judicial Branch judges and employees.

IT Related Proposals:

This request contains no information technology recommendation.

Results:

This request is sought to support the core mission and services of the Court of Appeals and to allow the Court to continue to undertake initiatives designed to increase efficiency, reduce costs and improve public services.

Minnesotans bring their most important and complex matters to the courts for resolution. Judges and staff work every day to help the people resolve these disputes. At the same time staff and judges are driving major innovation within the court system. Their innovations are improving service to the public and creating new efficiencies throughout the justice system. It is critically important that the Judicial Branch continue to retain and attract a workforce that builds on this innovation.

Statutory Change(s):

The request will not require statutory changes.

District Courts

FY16-17 Biennial Budget Change Item

Jury Compensation

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,591	1,591	1,591	1,591
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,591	1,591	1,591	1,591
FTEs	0	0	0	0

Request:

Juror Per Diem and Mileage Reimbursement.

The Judicial Branch seeks \$3,182,000 to increase the juror per diem from \$10 a day to \$20 a day and increase the juror mileage reimbursement from 27 cents to 56 cents per mile.

Rationale/Background:

The jury system is part of the foundation of the justice system. The decisions jurors make affect people's civic and property rights and the right to freedom. Difficult budget situations have resulted in two reductions to juror per diem since 2003, and a long-standing freeze on juror mileage reimbursement. Our request seeks to ease the financial burden placed on Minnesota citizens who make a sacrifice by honoring their duty of citizenship to report for jury duty. This funding would allow us to restore the most recent cut to juror per diem, bringing the rate back to pre-2008 levels, and increase the juror mileage reimbursement to match the current federal mileage reimbursement rate.

Proposal:

This change level request is not a new initiative. The increased funding would allow the Judicial Branch to restore the most recent cut to juror per diem, bringing the rate back to pre-2008 levels, and increase the juror mileage reimbursement to match the current federal mileage reimbursement rate.

IT Related Proposals:

This recommendation contains no information technology recommendation.

Results:

This request is sought to support a juror's civic duty to report for jury service.

Statutory Change(s):

The request will not require statutory changes.

District Courts

FY16-17 Biennial Budget Change Item

Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	11,788	24,453	24,453	24,453
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11,788	24,453	24,453	24,453
FTEs	30.15	68.62	68.62	68.62

Request:

Maintain Core Justice Operations.

The Judicial Branch seeks \$36,241,000 in the FY2016-17 biennium to increase the compensation of Trial Court employees and judges, and to fund unavoidable health insurance premium increases. The request represents a 7.1% increase in the Trial Court biennial base budget.

Rationale/Background:

In order for the Judicial Branch to continue driving innovation in our court system and improve services to Minnesotans, the Judicial Branch needs to retain and attract skilled and knowledgeable employees and judges that can maintain and operate a modern, efficient, and technology-based court system. However, the Judicial Branch faces two significant challenges:

- During the height of the recent recession, the Minnesota Judicial Branch was forced to impose a multi-year salary freeze in order to preserve essential court functions while managing difficult budget cuts. Employees and judges did not receive ongoing, permanent compensation increases between FY2008 and FY2013. Today, the Judicial Branch salary structure has become uncompetitive and consistently below market compared to other public-sector employees. Further, Minnesota judges now rank near the bottom third nationally in judicial pay. Judges in many counties make significantly less than the county attorneys who appear before them, and, in some cases even less than the assistant county attorneys.
- The second workforce challenge is a significant retirement wave among both employees and judges. Nearly one-third of current Judicial Branch staff will be 65 years old or older in the next ten years. In the last 2 years, 58 new judges have been appointed to the Bench—18% of all judges in the state. By 2019, at least 42% of all judges that were on the Bench in 2012 will have either retired, or will have turned 65 years old.

This incredible loss of experience and talent is especially concerning when paired with a below-market salary structure that is making it difficult for the Judicial Branch to compete for workers with the necessary skills.

The Trial Courts also request funding for unavoidable health insurance increases. Health insurance premiums are estimated to increase by 7% in 2016 and 6.3% in 2017. The Judicial Branch does not negotiate its own insurance agreements – it participates in the general plan negotiated by Minnesota Management and Budget. The Judicial Branch cannot absorb these costs, and would need to divert funding from court functions to pay for these increases without additional funding.

Proposal:

This change level request is not a new initiative. The Judicial Branch's FY2016-17 biennial budget request seeks funding to increase employee and judge salaries, which will help ensure that the Judicial Branch will be ready to respond to this retirement wave, while maintaining the caliber of workforce needed to continue driving innovation within the court system.

In addition, the request for funding unavoidable health insurance increases will hold court services harmless from rising insurance costs for Judicial Branch judges and employees.

IT Related Proposals:

This request contains no information technology recommendation.

Results:

This request is sought to support the core mission and services of the Trial Courts and to allow the Courts to continue to undertake initiatives designed to increase efficiency, reduce costs and improve public services.

Minnesotans bring their most important and complex matters to the courts for resolution. Judges and staff work every day to help the people resolve these disputes. At the same time staff and judges are driving major innovation within the court system. Their innovations are improving service to the public and creating new efficiencies throughout the justice system. It is critically important that the Judicial Branch continue to retain and attract a workforce that builds on this innovation.

Statutory Change(s):

The request will not require statutory changes.

Board on Judicial Standards

FY16-17 Biennial Budget Change Item

Additional Investigative Attorney Resources

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	30	30	30	30
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	30	30	30	30
FTEs	.5	.5	.5	.5

Request:

The Board seeks to create a half-time attorney position for investigation of disciplinary cases. Due to salary savings in the Board's operations budget, the Board is seeking only a \$30,000 annual increase in its budget for this position. The Board anticipates that this increase will be offset by a decrease in the Board's need to seek special appropriations for future disciplinary cases.

This increase is 6.6% of the Board's FY 2014 base budget (the operations budget plus major case budget).

Rationale/Background:

- The mission of the Board on Judicial Standards is to maintain public confidence in the integrity and impartiality of the Minnesota judiciary. The Board enforces the Minnesota Code of Judicial Conduct and educates judges how to comply with the Code. The Board has jurisdiction over all Minnesota trial and appellate judges (315 positions), retired judges in active service, referees, and other judicial officers.
- The Board promptly reviews complaints alleging judicial misconduct or disability, conducting investigations when necessary. If the Board finds misconduct, the Board seeks to discipline the judge. In serious cases, the Board files charges against the judge. Unless the case is settled, the case is litigated. Litigation involves a public hearing by a panel, followed by proceedings in the Minnesota Supreme Court. The Court has the authority to censure, suspend, or remove the judge from office.
- The size of the Board's staff has remained the same since the Board was created in 1974. The staff consists of the Executive Secretary and an assistant. Consequently, in order to prosecute a case against a judge, it is necessary for the Board to retain outside counsel.
- The Board is unable to predict whether in a coming year it will receive evidence that a judge has committed serious misconduct or whether a case will be settled or litigated. The fees for outside counsel to investigate and litigate a major case are substantial.
- For most of the Board's history, the Board's operating budget was not sufficient to pay the fees of outside counsel, and the fees were paid by special appropriations. In 2007, in order to reduce reliance on special appropriations, the Legislature created a major case fund with a \$125,000 annual appropriation. Even after the creation of this fund, however, the Board was required to periodically seek special appropriations to prosecute disciplinary cases. For example, in 2011, the Legislature approved a special appropriation of \$290,000 to fund several major cases. In 2013, the Legislature approved a special appropriation of \$300,000 to fund the *Perez* case and a disability case.
- The Board has explored ways to further reduce the need for special appropriations. The Board has found that one of the most important ways is to devote more in-house resources to investigating cases before the Board hires outside counsel.
- In-house investigation has a number of benefits. First, the expenses of investigation by office staff are much less than fees for investigation by a law firm. Second, in-house investigation results in a thorough understanding of the factual and legal grounds of a matter at an earlier stage. This gives the Board the information it needs when it decides whether to seek discipline and what level of discipline is appropriate. This approach promotes early settlement of cases. It is less likely that a judge will contest discipline if the Board is able to show the judge that it has solid evidence for the Board's allegations and is seeking a discipline that is solidly grounded on the facts and the law. Settlement at an early stage of the proceedings significantly reduces the funds necessary to resolve a case.

- The Board presently has a small office budget for contract legal services. It has been using this budget to pay for the services of a retired judge for initial investigation and analysis of complaints and legal research.
- In addition, the Board has implemented low cost methods of reducing litigation costs. It gives judges a full and fair opportunity to present all facts they believe the Board should consider before the Board decides whether the judge has committed misconduct. The Board's charges against a judge are clear, detailed, and documented. The Board posts disciplines on its website so that other judges can learn from them.
- The Board's current approach appears to be reflected in a reduction of fees spent on litigation. The Board did not request a special appropriation in FY 14 or FY 15. The two public matters brought by the Board in 2014 were not contested by the affected judges. The Board anticipates that there will be at least one contested public matter in FY 15, but the Board anticipates that the major case fund will be sufficient to pay the expenses of the case without the need for a special appropriation. The Board cautions, however, that it is not able to predict future litigation expenses. The Board has an overriding duty to the public, and the Board cannot dismiss a case simply to avoid the cost of litigation.
- The Board has experienced some salary savings as a result of hiring a new executive assistant at a lower salary than his predecessor. As a result it is possible to fund an additional half-time position with the addition of only \$30,000 to the base budget.

Proposal:

The Board proposes the following:

- Creating a half-time attorney position for investigation and analysis of complaints and legal research. The position would be created August 3, 2015.
- This proposal is intended to reduce the need for special appropriations.

Results:

- The measure will be the whether the special appropriations sought by the Board in the future are smaller than the amount of the proposed budget increase.

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quantity	Special Appropriations for Major Cases	\$300,000	0	2013-2014

Statutory Change(s):

None.

Office of the Legislative Auditor (OLA)

FY16-17 Biennial Budget Change Item

Funding for Staff Needs

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	500	500	500	500
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	500	500	500	500
FTEs	2	2	2	2

Request:

The Legislative Audit Commission recommends funding for two additional audit positions at the OLA and to provide money for performance-based salary adjustments (the amount available for increases would be equal to 4% of OLA's payroll). Overall, this would be an 8% increase from OLA's projected base funding for the next biennium.

Rationale/Background:

OLA lost and never regained 20 positions in previous budget cuts, going from a staff of 80 to 60. We accommodated the loss by eliminating or significantly reducing audit coverage at the Minnesota State Colleges and Universities, Metropolitan Airports Commission, Metropolitan Mosquito Control Commission, Minnesota State Fair, Housing Finance Agency, and various other entities under OLA's audit jurisdiction. We also restructured our approach to auditing the state's annual financial statements and, as a result, cut the number of staff hours required for that audit by approximately 38%.

This request is being made to help OLA address the new audit responsibilities we were given for the four Legacy Funds, MNsure, and IT Security Audits and to offer performance-based salary increases to help address a serious staff turnover problem, particularly among our financial auditors. It is the first request for additional staff we have made since losing the 20 positions.

Minnesota State Colleges and Universities

FY16-17 Biennial Budget Change Item

Operating Support and Protecting Affordability

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	47,000	95,000	95,000	95,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	47,000	95,000	95,000	95,000
FTEs	0	0	0	0

Request:

Minnesota State Colleges and Universities (MnSCU) is requesting \$47 million in fiscal year 2016 and \$95 million in fiscal year 2017 to fund operating cost increases so that it can continue to provide high-quality, affordable higher education programs throughout the state. If fully-funded, this request will allow the MnSCU Board of Trustees to hold resident undergraduate and graduate tuition rates at current levels. It represents an 11.4 percent increase in state base funding or an approximately 3.7 percent increase in our total operating budget.

Rationale/Background:

- MnSCU colleges and universities provide the highest value, most affordable higher education options in the state. Our legislative request is committed to strengthening the state's historic commitment to access, affordability and excellence.
- The relationship between state support for higher education and tuition paid by students has changed over the past several years, with more of the costs shifted to students as states struggled to balance their budgets. In 2002, state funding accounted for 66.3 percent of the total. Today, that share is 43.9 percent. A central tenet of our request is to increase the share of state investment in higher education and reduce the share of student tuition, with the goal of returning to a 50:50 relationship.
- We believe the opportunity to go to college should be available to everyone. We provide higher education to the most Minnesotans (410,000 students last year) at the lowest cost possible – roughly half the average cost of other large public universities and roughly one-fifth the cost of private colleges and universities in the state.
- At this time in our state's history, we must maintain the quality of our workforce – a quality for which we are nationally known – to maintain our economic vitality.
- At a time when 74 percent of jobs in Minnesota will soon require some level of higher education, we feel a tremendous responsibility to provide the education our students require to prepare them for those careers and the quality of life that comes with higher education. We have a college option for all, from doctoral programs to EMT certifications.

Proposal:

We are requesting funding to cover inflationary costs in order to keep college affordable for Minnesota students and their families. Our request will provide the funds needed to avoid a tuition increase while protecting the educational programs that serve students and communities across the state.

The increased state support will allow us to continue providing high quality educational programs at the lowest possible cost to our students – an affordable option for the students who often need it most. We appreciate that state support per full-year equivalent student has begun to improve in constant dollars, but it is still 32 percent below 2002 levels. If fully-funded, our request is projected to increase percentage of state funding to 47.5 percent, closer to the 50:50 goal.

We must make sure students get the same level of extraordinary education they are getting today. Our request for \$142 million reflects the costs for providing the highest quality education. To protect both the quality of programs and affordability for our students, we are asking the state to fund inflationary costs so that resident undergraduate and graduate tuition can be kept at current levels. We will fund new investments internally by prioritization based on the needs of students, employers and communities.

Our proposal was developed in consultation with all our key constituency groups, beginning with campus conversations held across the state and hosted by our colleges and university presidents. Our student associations and bargaining units were consulted on numerous occasions. What emerged from those conversations was strong support for advancing our long-standing goals of protecting access and affordability, improving student success, advancing academic excellence, and meeting community and workforce needs.

Results:

The success of our request will be measured by its ability to protect affordability and the access it provides to our academic programs and student success. If fully-funded, the MnSCU Board of Trustees will exercise its statutory authority to set tuition and keep tuition at current rates. Specifically:

- A resident undergraduate university student will save an average of \$205 annually and a resident undergraduate college student will save an average of \$145 annually.
- A full-time resident university student enrolled as a freshman in the fall of 2012 would save \$2,050 over four years.
- A full-time resident college student enrolled in a two-year program would save \$435 if they enrolled anytime between the fall of 2012 and the fall of 2016.

If fully-funded by the end of fiscal year 2017, the relationship between tuition and state appropriation is projected to improve to 52.5 percent tuition and 47.5 percent state appropriation under current assumptions.

Statutory Change(s):

No statutory changes will be required as a result of this change item.

State Auditor

FY16-17 Biennial Budget Change Item

Infrastructure Stress Study

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	150	0	0	0
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	150	0	0	0
FTEs	0	0	0	0

Request:

The State Auditor requests an increase in our General Fund Direct Appropriation to establish a system to collect information on the current state of local government infrastructure in Minnesota. Local government infrastructure is a significant investment for the citizens of Minnesota and understanding its current age and condition is a vital piece of information for local and state decision makers to understand when making budget and policy decisions. This request represents a one-time appropriation of \$150,000 for fiscal year 2016 to hire a consultant to determine what information should be collected, where it exists, and how to best collect this information on an ongoing basis.

Rationale/Background:

The State Auditor oversees local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities. The building and maintaining of governmental infrastructure such as water and sewer systems, roads, bridges, and drainage systems are a significant investment for local governments and the citizens of Minnesota. Understanding the condition of these assets is important when making fiscal and policy decisions. Currently, there is no place where citizens and policy makers can easily go to find this information.

Proposal:

The State Auditor proposes a one-time appropriation of \$150,000 in our General Fund Direct Appropriation for fiscal year 2016. These funds will be used to hire a consultant who will identify where infrastructure information can be obtained and determine the best way to collect and present this information on an on-going basis. The consultant will work closely with existing staff that have extensive knowledge of current financial reporting requirements and our current data collection capabilities.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Usefulness of data collected	NA	NA	NA
Quality	Ease of submitting data by local governments	NA	NA	NA
Quality	Ease of accessing data by citizens and policy makers	NA	NA	NA

State Auditor

FY16-17 Biennial Budget Change Item

Staff Retention

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	64	110	78	117
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	64	110	78	117
FTEs	1.5	2.1	1.5	2.1

Request:

The State Auditor requests an increase in our General Fund Direct Appropriation to retain current staff. Eighty-seven percent of the Office's expenditures are related to salaries and benefits. Projected salary cost increases continue to put pressure on our ability to keep all current staff within the base budget, and all current staff are essential to meet our mission.

This request represents a 4.1 percent increase in the General Fund Direct Appropriation for the 2016/2017 biennium.

Rationale/Background:

The State Auditor oversees local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities. Eighty-seven percent (87%) of the proposed General Fund Direct Appropriation pays the salaries and benefits of staff who review documents, data, issue reports, and review complaints relating to the finances of local government entities, including counties, cities, school districts, townships, public pension funds, and special districts. Staff also provides essential training and support to accounting staff in local governments to help them properly complete their financial reporting requirements, establish proper internal controls to safeguard assets, and investigate reports of financial misfeasance, malfeasance and non-feasance by local government employees.

Projected increases in salary cost continue to put pressure on our ability to retain all essential staff. This request will allow us to retain the necessary qualified staff to meet our mission.

Proposal:

The State Auditor proposes an increase of \$174,000 in our General Fund Direct Appropriation for the 2016/2017 biennium. These funds will be used to help pay salaries of current staff. It will help us to avoid reducing staff by approximately 2 full time equivalents (FTE).

Results:

Type of Measure	Name of Measure	Previous	Current	Dates
Quality	Local Governments Meeting Reporting Requirements	95.7%	92.0%	2012/2013
Results	CTAS Users Reporting with Exported Files	615	705	2012/2013
Quality	Pension Plans Certified as Eligible to Receive State Aid	99.6%	99.6%	2012/2013
Quantity	Views of Pension Newsletter on Website	5,228	14,904	2012/2013
Quantity	Views of Sample Bylaw Guides on Website	1,639	1,712	2012/2013
Quantity	Views of Pension Statements of Position on Website	4,260	4,627	2012/2013

State Auditor

FY16-17 Biennial Budget Change Item

Technology Staffing

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	106	98	102	105
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	106	98	102	105
FTEs	1.0	1.0	1.0	1.0

Request:

The State Auditor requests an increase in our General Fund Direct Appropriation to hire a new programmer/database administrator. This request represents a 4.8 percent increase in our General Fund Direct Appropriation for the 2016/2017 biennium.

Rationale/Background:

The State Auditor oversees local government finances for Minnesota taxpayers by helping to ensure financial integrity and accountability in local governmental financial activities. We do this by electronically collecting and reviewing financial information from over 4,000 local government entities, including counties, cities,, townships, public pension funds, and special districts. We also provide training and support to accounting staff in local governments to help them properly complete their reporting requirements.

To accomplish our mission and meet the increasing demands on local government staff and State Auditor staff, we have established electronic tools to collect and review financial information. We see many opportunities to establish more electronic processes to help us accomplish our mission more efficiently and effectively, but currently we only have one staff person working directly on maintaining existing tools and creating new tools. An additional programmer/database administrator position would allow us to create additional automated tools to make reporting more efficient for local governments and State Auditor staff.

Proposal:

The State Auditor proposes an increase in our General Fund Direct Appropriation by \$204,000 for the 2016/2017 biennium to hire one programmer/database administrator. These funds will pay the salary and benefits of a programmer/database administrator. They will also pay for computer equipment and program licenses the administrator will need to perform their work.

The addition of a programmer/database administrator will allow us to accelerate our development of databases, interfaces, and automated analysis processes. These tools will allow us to achieve our mission more efficiently and effectively on behalf of the taxpayers.

Results:

Type of Measure	Name of Measure	Previous	Current	Dates
Quantity	Actions performed in the State Auditor's Form Entry System	88,194	86,778	2012/2013
Results	CTAS Users Reporting with Exported Files	615	705	2012/2013
Quality	Local Governments Meeting Reporting Requirements	95.7%	92.0%	2012/2013
Quantity	Views of Local Government Finance Reports on Website	63,211	57,883	2012/2013
Quantity	Views of Comparison Tools on Website	11,820	11,910	2012/2013

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Quality	Pension Plans Certified as Eligible to Receive State Aid	99.6%	99.6%	2012/2013
Quantity	Views of Pension Newsletter on Website	5,228	14,904	2012/2013
Quantity	Views of Sample Bylaw Guides on Website	1,639	1,712	2012/2013
Quantity	Views of Pension Statements of Position on Website	4,260	4,627	2012/2013
Quantity	Views of Avoiding Pitfalls on Website	40,880	34,566	2012/2013
Quantity	Views of Legal/SI Statements of Position on Website	26,777	30,734	2012/2013
Quantity	Views of Investigative Reports and Review Letters on Website	13,246	13,213	2012/2013

Supreme Court

FY16-17 Biennial Budget Change Item

Civil Legal Services

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,034	1,034	1,034	1,034
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,034	1,034	1,034	1,034
FTEs	0	0	0	0

Request:

Civil Legal Services (CLS), a core function of the justice system, requests \$1,034,000 in each year of the FY2016-17 biennium. This would increase funding to the FY2008-09 level. This increase will expand services to Minnesotans who have low incomes or disabilities, or are elderly, and who need civil legal help to meet their basic human needs. The request is an 8.4% increase to CLS base funding. CLS programs total budget, including the appropriation for CLS, is \$32,308,000. The requested increase would be 3.2% of all CLS funding.

Rationale/Background:

CLS opens the doors of the justice system to the most vulnerable in our community. It helps victims of domestic violence achieve safety, prevents homelessness due to improper eviction and foreclosure, and maximizes the ability of people who are elderly or have disabilities to live safely and independently in their community. CLS also increases efficiency in the justice system by redirecting cases that are without merit or can be resolved in another manner, and by ensuring efficient use of the courts when CLS clients come before a judge. CLS increases public access to easily understood legal resources by developing, and continuously expanding, the website www.LawHelpMN.org

However, Minnesota faces a wide and persistent justice gap – the difference between the necessary civil legal help to meet critical human needs and the CLS resources available. In 2009, CLS met the legal need for only one of every two eligible clients seeking services. By 2012, the gap had grown, and CLS met the need for only one of every three eligible clients seeking services. This growth in the already existing justice gap resulted from an increase in Minnesota's poverty population during a time of decreasing financial resources to support CLS. In 2014, CLS continues to meet the need for only one of every three. In 2011, CLS served 49,079 families and individuals; in 2013, CLS served 48,043. Increased general fund support will help narrow the justice gap by enabling CLS to expand its service capacity, helping more vulnerable Minnesotans to meet their basic human needs.

Proposal:

The funding requested will support the existing CLS program which provides legal help to vulnerable Minnesotans in all 87 counties. The intended result is an increase in the number of Minnesotans provided the legal representation or advice needed to meet their need for safety, shelter, food, health care and basic income. CLS partners with the courts, the public libraries, domestic violence shelters, social service systems, and volunteers to achieve this result. Increased funding will turn the curve on the justice gap by extending the reach and efficiency of CLS statewide. Because the CLS infrastructure already exists throughout the state, expansion of services will be possible as the additional funds are distributed by the Supreme Court to CLS. Increased access to justice to meet basic needs will take place for Minnesotans who have low incomes or disabilities, or are elderly, without the need to create new systems or steps.

IT Related Proposals:

This request contains no information technology recommendation.

Results:

<i>Type of Measure</i>	<i>Name of Measure</i>	<i>Previous</i>	<i>Current</i>	<i>Dates</i>
Results	Percentage of families and individuals served who successfully resolved critical legal problems.	89% of 49,079	89% of 48,043	2011 and 2013
Results	Number of children and women who are victims of domestic violence who achieved safety.	1,879	1,965	2011 and 2013
Results	Number of families and individuals faced with foreclosure or eviction who remained housed.	3,112	3,252	2011 and 2013
Results	Number of seniors and people with disabilities who continue to live safely and independently in the community.	3,433	3,587	2011 and 2013
Quantity	Number of people obtaining education and self-help resources about legal rights and responsibilities through technological innovation.	258,857	350,381	2011 and 2013

Statutory Change(s):

The request will not require statutory changes.

Supreme Court

FY16-17 Biennial Budget Change Item

Maintain Core Justice Operations

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	1,361	2,828	2,828	2,828
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	1,361	2,828	2,828	2,828
FTEs	3.2	7.4	7.4	7.4

Request:

Maintain Core Justice Operations.

The Judicial Branch seeks \$4,189,000 in the FY2016-17 biennium to increase the compensation of Supreme Court employees, judges, and fund unavoidable health insurance premium increases. The request represents a 6.4% increase in the Supreme Court Budget.

Rationale/Background:

In order for the Judicial Branch to continue driving innovation in our court system and improve services to Minnesotans, the Judicial Branch needs to retain and attract skilled and knowledgeable employees and judges that can maintain and operate a modern, efficient, and technology-based court system. However, the Judicial Branch faces two significant challenges:

- During the height of the recent recession, the Minnesota Judicial Branch was forced to impose a multi-year salary freeze in order to preserve essential court functions while managing difficult budget cuts. Employees and judges did not receive ongoing, permanent compensation increases between FY2008 and FY2013. Today, the Judicial Branch salary structure has become uncompetitive and consistently below market compared to other public-sector employees. Further, Minnesota judges now rank near the bottom third nationally in judicial pay. Judges in many counties make significantly less than the county attorneys who appear before them, and, in some cases even less than the assistant county attorneys.
- The second workforce challenge is a significant retirement wave among both employees and judges. Nearly one-third of current Judicial Branch staff will be 65 years old or older in the next ten years. In the last 2 years, 58 new judges have been appointed to the Bench—18% of all judges in the state. By 2019, at least 42% of all judges that were on the Bench in 2012 will have either retired, or will have turned 65 years old.

This incredible loss of experience and talent is especially concerning when paired with a below-market salary structure that is making it difficult for the Judicial Branch to compete for workers with the necessary skills.

The Supreme Court also request funding for unavoidable health insurance increases. Health insurance premiums are estimated to increase by 7% in 2016 and 6.3% in 2017. The Judicial Branch does not negotiate its own insurance agreements – it participates in the general plan negotiated by Minnesota Management and Budget. The Judicial Branch cannot absorb these costs, and would need to divert funding from court functions to pay for these increases without additional funding.

Proposal:

This change level request is not a new initiative. The Judicial Branch's FY2016-17 biennial budget request seeks funding to increase employee and judge salaries, which will help ensure that the Judicial Branch will be ready to respond to this retirement wave, while maintaining the caliber of workforce needed to continue driving innovation within the court system.

In addition, the request for funding unavoidable health insurance increases will hold court services harmless from rising insurance costs for Judicial Branch judges and employees.

IT Related Proposals:

This request contains no information technology recommendation.

Results:

This request is sought to support the core mission and services of the Supreme Court and to allow the Court to continue to undertake initiatives designed to increase efficiency, reduce costs and improve public services.

Minnesotans bring their most important and complex matters to the courts for resolution. Judges and staff work every day to help the people resolve these disputes. At the same time staff and judges are driving major innovation within the court system. Their innovations are improving service to the public and creating new efficiencies throughout the justice system. It is critically important that the Judicial Branch continue to retain and attract a workforce that builds on this innovation.

Statutory Change(s):

The request will not require statutory changes.

Facility Condition and Improvement Strategy

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	5,000	10,000	15,000	20,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	5,000	10,000	15,000	20,000
FTEs	0	0	0	0

Request:

The University requests an increase to its Operations and Maintenance (O&M) appropriation of \$5 million in FY16 and an incremental \$5 million in FY17 for facility repair and renewal (R&R) projects system-wide. The University proposes to extend the request into the next biennium as well, with continued incremental increases of \$5 million each year, resulting in a cumulative total increase in the O&M appropriation of \$20 million by FY19. In return, the University will decrease its planned average of \$60 million per year capital request for Higher Education Asset Preservation and Renewal (HEAPR) funds by an incremental \$5 million in each of the next four state bonding cycles, moving from an average annual request of \$60 million to \$40 million.

This proposal represents an annual 1% increase to the University's O&M appropriation and will result in an annual increase to the University's total revenues of approximately .1%.

Rationale/Background:

The University currently supports R&R projects with a combination of HEAPR capital funds from the state, departmental funds allocated to specific projects, and a dedicated, centrally budgeted R&R pool targeted to the highest priority needs. However, current funding is unpredictable and inadequate. The University's current level of funding available for R&R projects from these three sources equates to \$3.65/sf. Based in part on data from an independent, external evaluation, the current replacement value of University-supported space is \$8.164 billion. The target range for R&R funding on an annual basis is 2-3% of that portfolio value: a 2% (\$8/sf) investment would stop growth in the number of projects needing serious attention, while a 3% (\$12/sf) investment would decrease the number of projects needing attention at any given point in time. Approval of this request will not result in achieving the lower end of the target range but will move in the right direction toward that goal and will result in noticeable improvements as indicated below.

Proposal:

The goal of this proposal is two-part:

- 1) To catch up on facility renewal by shrinking an accumulated backlog of needs: The current operating budget and capital funding sources fund the University's R&R needs at an average of \$3.65/sf (\$73 million supporting 20.2 million square feet of academic and support space). The additional \$20 million after four years would increase the funding to \$4.65/sf. This would close the gap between current funding levels and the minimum goal of \$8/sf. by 25%, and
- 2) To provide a sustainable, predictable and recurring source of funding for facility renewal: Shifting the funding source for these projects from a highly variable capital appropriation process to a more predictable and stable annual O&M appropriation will reduce long-term facility costs by allowing the University to develop strategic multi-year facility renewal plans and address crucial issues in a timely manner before they become more expensive.

As part of a comprehensive and coordinated approach, (in addition to the increased state appropriation proposed here) the University will continue to implement various strategies to maintain overall facility condition: increasing space utilization, decommissioning or demolishing outdated, unsafe facilities, implementing district utility plans, maximizing energy conservation, and extending the useful life of facilities through good maintenance.

Results:

The current annual budget allocations available for R&R projects at the University total an average of \$73 million, which equates to \$3.65 per square foot. The goal and targets are indicated in the table below.

Current Funding Level (Increasing backlog)	Requested Funding Level (Reduces the gap to the lower target by 25%)	Lower Target Funding Level (Sustaining backlog)	Upper Target Funding Level (Decreasing backlog)
\$3.65/square foot	\$4.65/square foot	\$8.00/square foot	\$12.00/square foot

Successful implementation of this comprehensive approach will:

- Reduce long-term costs by managing capital renewal in a more timely manner.
- Advance safety through improvements in fire alarms, deteriorated electrical systems, structural issues, ventilation etc.
- Enhance accessibility through improvements in elevators, unisex bathrooms, handrails, etc.
- Reduce operating costs through replacing old, broken and inefficient motors, pumps, fans, insulation, windows, etc.
- Improve reliability through proactive identification, repair and replacement of facility components.
- Preserve assets through timely tuck pointing and structural repairs.
- Prevent more expensive damage through repair and replacement of roofs, windows, and doors to keep moisture out.
- Enable program updates stalled by code requirements related, for example, to asbestos in floor tile or ceilings.
- Support recruitment and retention of faculty by ensuring pleasant, welcoming and functional spaces.
- Improve student recruitment, retention and success by ensuring pleasant, welcoming and functional spaces.
- Improve the ability of colleges and campuses to develop coordinated plans through a more stable funding framework.

The primary statewide outcome that will be impacted by this change item: Minnesotans have the education and skills needed to achieve their goals.

Statutory Change(s):

None

FY16-17 Biennial Budget Change Item

Healthy Minnesota

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	11,500	23,000	23,000	23,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	11,500	23,000	23,000	23,000
FTEs	0	0	0	0

Request:

The University requests \$11.5 million in FY16 and an incremental \$11.5 million in FY17 to ensure Minnesota remains one of the healthiest states in the nation, with top ranked health science programs. The increased funding will support 1) research to promote health, and treat, cure and manage the major chronic diseases/conditions affecting Minnesotans; 2) enhanced training for the next generation of health care professionals to meet the needs of an aging and diverse population; and 3) development and piloting of new, community-based models of health promotion and care.

This proposal represents an annual 2% increase to the University's O&M appropriation and will result in an annual increase to the University's total revenues of approximately .3%.

Rationale/Background:

The University of Minnesota, as the state's only land grant University and the primary provider of physicians, pharmacists and dentists, plays an essential role in Minnesota's being one of the healthiest states in the nation, and therefore has a responsibility to be a leader in addressing both the intractable health care challenges and the new challenges facing the state such as the aging of the state's population and health disparities in its rural, ethnic, tribal, and immigrant communities. Current and projected near-term conditions require attention:

- By 2030, the number of Minnesotans over age 65 will double, and older people will represent over 20% of the state's population. The demand for health and long-term care and its costs will increase exponentially. The prevalence of illness and disease increase with age, and chronic conditions such as cancer, heart disease, stroke, diabetes, obesity, arthritis, and pain among the elderly continues to rise.
- While Minnesota is ranked among the healthiest states in the country, it is also ranked as the state with one of the greatest disparities between the health of our majority white community and our minority ethnic, tribal and immigrant communities.
- The current health professional work force itself is aging and many will be retiring soon. Shortages in the state's underserved rural and urban communities will become even more acute and educating and training students and current practitioners in the new models of care (e.g., to work in health care teams in which each of the members is operating at the top of his/her professional skills and knowledge) is essential to meet the state's health care needs.
- Nationally, half of all adults have one or more chronic health conditions and 90% of all adults 60 years of age and older have at least one chronic condition. Four health risk factors (lack of exercise or physical activity, poor nutrition, tobacco use and drinking too much alcohol) cause much of the illness, suffering and early death related to chronic diseases and conditions. The majority of health care and economic costs associated with medical conditions are for the costs of chronic diseases and conditions and the associated health risk factors. The University of Minnesota is in a perfect place to address these concerns as it is nationally recognized for its research in the areas of cancer, heart disease, stroke, diabetes, obesity and arthritis.
- There is a major need to rethink and redesign health and long term care services to make them more accessible, of higher quality and more affordable.

Proposal:

The University proposes to address these challenges with a broad based strategy focused on three interrelated tracks: new discoveries in understanding, treating and curing chronic diseases; targeted improvements in training the health care workforce; and innovative design of community-based health care delivery. For most immediate action, funding this proposal will allow the University to:

- Revamp curriculum and clinical training programs to incorporate new models of health promotion and care, including inter-professional education/training, team care, prevention and wellness, and so on.
- Develop a statewide network of up to six interdisciplinary, primary care teaching clinics, incorporating training teams of students and residents in medicine, dentistry, nursing, pharmacy, public health and allied health.
- Expand or strengthen education and training programs in three areas that are facing increased demand and/or are currently underserved in the state: dentistry, psychiatry and mental health, and geriatrics and care of the elderly.
- Expand the pipeline programs for admission to the health professional schools for groups currently underrepresented and by increasing scholarships and loan forgiveness programs for students and residents who choose to practice in underserved urban and rural communities.
- Accelerate research in the major chronic diseases and conditions facing Minnesotans, investigating causes, treatments and cures.
- Develop and pilot new models of inter-professional health care and create a Minnesota Electronic Health Library to provide online access to licensed, evidence-based clinical care resources for all Minnesotans.

Results:

Successful implementation of this broad strategy to address the described challenges related to health in Minnesota will show the following results:

- Minnesota's most acute health work force shortages will be addressed, with more dentists in rural and underserved urban communities and more health professionals trained in mental health services and the care of Minnesota's aging population.
- There will be increased diversity within Minnesota's health professional workforce.
- There will be more providers in underserved rural and urban communities.
- Increased utilization of the current health care work force and students or residents currently in the pipeline will help to meet the state's health work force needs faster and more efficiently than relying on increased enrollments.
- Health professional graduates will be better prepared to meet the current health challenges and to work in a changing health care system through redesigned education and training programs.
- The research rankings of the Medical School and all of the University's health sciences schools will increase
- Federal and private research grants awarded to University faculty will increase.
- There will be new treatments and cures for cancer, heart disease and other chronic diseases/conditions, with reduced morbidity and costs and improved quality of life.
- The health disparities gap in Minnesota will decrease.
- Translating research discoveries and clinical practices that improve quality or reduce costs of care into common practice will be faster.
- There will be equal access to evidence-based health information across the state.

The primary statewide outcome that will be impacted by this change item: All Minnesotans have optimal health.

Statutory Change(s):

None

FY16-17 Biennial Budget Change Item

Tuition Freeze

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	21,500	43,700	43,700	43,700
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	21,500	43,700	43,700	43,700
FTEs	0	0	0	0

Request:

The University requests an increase to its Operations and Maintenance (O&M) appropriation of \$21,500,000 in FY16 and an incremental \$22,200,000 in FY17 in order to provide a guaranteed two-year 0% tuition increase for the 2015-16 and 2016-17 academic years for University of Minnesota undergraduate, graduate and professional students paying the resident rate.

This proposal represents an annual 3.6% increase to the University's O&M appropriation and will result in an annual increase to the University's total revenues of approximately .6%.

Rationale/Background:

Middle class families have experienced stagnant incomes over the last decade, while historic state budget cuts to the University shifted a significant financial burden to students and families through tuition increases, necessary to maintain academic quality. Approving this proposal will result in a second biennium, four straight years, of zero percent tuition increases for the resident undergraduate rate, saving students beginning fall 2015 and their families an average of \$2,500 over their four-year degree program. This proposal also recognizes the need to reduce tuition increases and student debt levels for graduate and professional students. As the tuition costs and time to degree vary significantly by program at these levels, the savings accruing to the students will also vary.

The state and the University must partner to increase access and decrease debt for resident students in order to ensure a highly trained work force for Minnesota. For undergraduate students that borrow to finance their education (approximately 2/3 of those enrolled), the average debt load upon graduation from the University has risen to approximately \$27,000. At the graduate and professional level, the burden for those with debt upon graduation can range anywhere from \$20,000 to \$200,000. Restored funding from the state and a commitment to implement further cost reductions and reallocations within the University will reduce tuition increases and lower the attendant debt burden for students, making the dream of graduating from the University of Minnesota a reality for more students.

Proposal:

The President of the University will recommend to the Board of Regents a 0% resident tuition increase for the 2015-16 and 2016-17 academic years for all undergraduate, graduate and professional students. In return, the University is asking the State of Minnesota to provide resources equal to a 3% increase on the resident undergraduate rate and a 3.5% increase on the resident graduate and professional rates to fund essential investments in the University. Minnesota resident undergraduate, graduate and professional students would be guaranteed a two-year reprieve from tuition increases on all University of Minnesota campuses. This benefit would accrue throughout their degree program and benefit future families as well.

The University will use the additional revenue from the state, along with planned administrative cost savings and other reallocations of over \$15 million per year, to support competitive salary increases to recruit and retain world-class faculty and staff and to cover cost increases in utilities, safety and security improvements, research and instructional equipment, new building operations, technology licensing, library materials, and so on. The University is aggressively managing costs and is seeking the minimal amount of revenue possible to maintain excellence.

If the University does not receive sufficient funding to support the freeze, the Board of Regents is prepared to raise tuition as needed to fill the gap.

Results:

Funding this request will result in direct financial benefits for undergraduate students and their families paying the resident tuition rate:

- Reduced undergraduate student tuition charges annually by 2016-17 vs. a 3% increase in each of the next two years:
 - \$734 on the Twin Cities Campus
 - \$611 on the Crookston Campus
 - \$714 on the Duluth, Morris and Rochester Campuses
- Reduced total tuition burden for incoming freshmen over their four-year degree program –
 - \$2,565 on the Twin Cities Campus
 - \$2,133 on the Twin Cities Campus
 - \$2,493 on the Duluth, Morris and Rochester Campuses

Holding down tuition rates will increase financial access to the University of Minnesota and will increase retention rates of students who might otherwise have dropped out of school for financial reasons. In addition, it will reduce the undergraduate debt burden. For those students that would have borrowed the full amount of a 3% tuition increase these two years, this proposal will reduce the average debt burden by 10%. For the more expensive professional programs, some with great statewide demand but relatively low pay, such as veterinarians, rural physicians, pharmacists and dentists, this proposal could result in a reduction of over \$30,000 in principal and interest payments on student loans.

Approximately 53,000 students and their families would benefit annually from this investment across all five campuses, reducing total tuition burden by approximately \$65 million for the biennium.

The primary statewide outcome that will be impacted by this change item: Minnesotans have the education and skills needed to achieve their goals.

Statutory Change(s):

None

Vibrant Economy

Fiscal Impact (\$000s)	FY 2016	FY 2017	FY 2018	FY 2019
General Fund				
Expenditures	3,500	9,000	9,000	9,000
Revenues	0	0	0	0
Other Funds				
Expenditures	0	0	0	0
Revenues	0	0	0	0
Net Fiscal Impact = (Expenditures – Revenues)	3,500	9,000	9,000	9,000
FTEs	0	0	0	0

Request:

The University requests \$3.5 million in FY16 and an incremental \$5.5 million in FY17 to ensure Minnesota has strong urban and rural communities by creating economic development opportunities. The increased funding will support research to address environmental issues associated with mineral extraction and to reduce disparities and enhance the vitality of communities statewide.

This proposal represents an annual 1.7% increase to the University's O&M appropriation and will result in an annual increase to the University's total revenues of approximately .25%.

Rationale/Background:

This request is designed to address two current issue areas affecting Minnesota's economy. They are not closely related to each other but surface as areas of opportunity where University expertise and strength can make a difference to communities throughout the state. To aid the mining industry and the communities in which they operate, strategies are needed to improve the economic and environmental sustainability of mineral extraction through science and engineering solutions. Emphasis needs to be placed on technologies that reduce environmental, energy, and carbon footprint and increase market and non-market resource economics (e.g., extracting valuable commodities such as gold or titanium) to enhance the viability of the industry in both the short and long term.

The second research focus recognizes that Minnesota is changing rapidly. In particular, multiple and significant demographic shifts impact Minnesota's relationship to broader national and global trends and realities: in-migration of new nationality groups helps shape the ethnic composition of the state; out-migration of portions of Minnesota's established population alters the age (and health) profile of the state, and intra-state migrations brings with it changes in the spatial distribution of the state's population. Research and education are needed to help ensure the vitality of diverse and changing communities throughout the state and to enhance the economic prosperity and well-being of our citizens.

Proposal:

Funding this proposal will allow the University to do the following:

Mining Solutions:

- Assess the appropriate (pre-mining or current) baseline ecological, mineralogical, chemical, and microbiological conditions in Minnesota's mining regions.
- Characterize the extent/potential for acid mine drainage in legacy, current and potential mining areas, and if present, deliver technology to address it; remove sulfate from mining site run-off to meet designated standards; remove toxic metals and other contaminants if present.
- Research ways to recover value-added metals and minerals to reduce overall waste and increase economic opportunity.
- Determine the short and long term human health and safety effects and the overall economic impact of mining.

Vital Communities:

- Develop improved urban and rural community design to facilitate the most productive forms of interaction, communication, understanding and cross-cultural exchanges among groups of people.
- Research and identify best practices for investing in human capital across diverse communities, including ways to close the educational achievement and opportunity gaps, facilitate the realization of leadership potential and entrepreneurial initiative within communities, and formulate national, state and community policies and practices that most effectively promote economic prosperity and opportunity.
- Leverage the University's strong outreach capabilities through University of Minnesota Extension, the system campuses and other sites throughout the state to spread best practices statewide.

Results:

Successful implementation of these research efforts will:

- Develop new systems to derive valuable products (gold, titanium) from materials currently viewed as mining waste
- Characterize the appropriate baseline environmental conditions, mineralogy, geochemistry, and microbiology in mining regions
- Result in a new repository of mining data and samples available for future multidisciplinary research
- Identify and develop appropriate technologies to reduce, mitigate, and prevent contamination to ensure stable ecosystems structure and function
- Build a cohesive community of personnel from the mining and remediation industry, state agencies, tribal governments and communities, nongovernmental organizations/environmental groups, and researchers focused on improving the sustainability of mineral extraction.
- Improve the quality of life across Minnesota.
- Raise the University's and the State's visibility and impact as an innovator on issues related to community vitality.
- Expand understanding of effective methods for closing the educational achievement gap and improving nutrition, among other challenges.
- Build stronger relations between agencies of collective responsibility to the broader population (law enforcement, human service agencies) and diverse communities.
- Foster practices and expectations of civic engagement.
- Increase the number of graduate students working on Minnesota issues, joining research teams and field studies throughout the state.
- Improve undergraduate education through experiential learning and community immersion.
- Increase partnerships (number and variety) between the University and communities throughout the state.
- Increase external research support/dollars to Minnesota.

The primary statewide outcome that will be impacted by this change item: A thriving economy that encourages business growth and employment opportunities.

Statutory Change(s):

None