

## Minnesota legislators experience Israel

By MORDECAI SPECKTOR

Neither the Minnesota Senate or House of Representatives has a foreign relations committee; but a group of state legislators recently returned from a week in Israel with a more nuanced understanding of the long-running Israeli-Palestinian conflict.

Led by Frank Hornstein, DFL-Minneapolis, the legislators, many of them visiting Israel for the first time, paid their own way for the Nov. 4-12 trip, and some brought along their spouses.

A good portion of the Jews in the legislature joined Hornstein on the trip:

Sen. Terri Bonoff, DFL-Minnetonka; Rep. Tina Liebling, DFL-Rochester; Rep. Phyllis Kahn, DFL-Minneapolis; Rep. Jeremy Kalin, DFL-North Branch; and Rep. Steve Simon, DFL-St. Louis Park.

The non-Jewish legislators visiting Israel were Rep. Sarah Anderson, R-Plymouth; Rep. Bernie Lieder, DFL-Crookston; Rep. Sandra Masin, DFL-Eagan; and Sen. Ann Rest, DFL-Golden Valley.

Hornstein and Simon stopped by the AJW offices last week to discuss their travels in Israel, the Palestinian Authority territory and, briefly, Jordan.

Simon, who last visited Israel in 1985, found the country "so much more advanced," in terms of infrastructure, buildings and technology.

On the political side, which was a featured part of the tour, Simon said, "The Israeli-Palestinian conflict is seemingly as intractable as ever."

"We spent a lot of time on that," Hornstein said, in regard to the group's numerous meetings with Palestinians, including the P.A.'s chief negotiator Saeb Erekat, and with Israeli officials and observers.

"We did get a broad and fair glimpse of the various perspectives in conflict," Simon said about their rounds of



Isaac Harari

**Rep. Bernie Lieder, who liberated Nazi slave labor camps in Germany, salutes in the Hall of Remembrance at Yad Vashem.**

meetings devoted to the state of peace process negotiations.

The group traveled to Bethlehem, where the Church of the Nativity

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## Yad Vashem honored Rep. Lieder as a liberator in the Shoah

• LEGISLATORS / from page 1

is a popular attraction for Christian pilgrims. They walked through an Israeli checkpoint to enter the fabled birthplace of Jesus, and saw the Israeli security barrier from the Palestinian side.

An emotional moment in the week occurred at Yad Vashem, the Holocaust memorial and museum in Jerusalem, where Rep. Lieder was recognized for his role as an American soldier who liberated Nazi slave labor camps in Germany in 1944 and 1945. Lieder also assisted survivors immediately after the massacre at Gardelegen, where German soldiers forced more than 1,000 slave laborers into a barn and set it ablaze.

Yad Vashem accorded Lieder the honor of rekindling the eternal flame and laying a wreath in a special ceremony in the Hall of Remembrance.

In their travels through the tiny Jewish state, the legislators visited several high-tech firms, including Cima Nanotech, which is headquartered in St. Paul and has an R&D operation in Caesarea; Bright Source Energy, a solar energy developer; and Better Place, which is developing the

infrastructure for electric cars.

Simon mentioned that the group visiting Israel was “interfaith, bipartisan and bicameral.”

The only Republican in the group was Rep. Anderson of Plymouth, who told the AJW this week that visiting Christian religious sites — in Bethlehem, Nazareth, Jerusalem and the Galilee — was “just fantastic.” She also was able to share the sights and experiences with her sister, who accompanied her on the trip.

Anderson mentioned that the political discussion have enhanced her understanding of the Israeli-Palestinian conflict. She mentioned that the group met with the parents of kidnapped Israeli soldier Gilad Shalit. Anderson says that she is now more interested in Middle East news coverage, including recent reports of a prisoner swap to free Shalit.

“It’s pretty easy for us living in Minnesota, where we’re safe and we don’t have the threat from bombs, to ignore the situation over there,” said Anderson, regarding her experience of Israel. “We need to be aware and we need to be engaged in world politics.”



The Minnesota legislative delegation and their guests pause on the Mount of Olives overlooking the Old City of Jerusalem. Pictured are (front, l to r): Jane Cunningham; Rep. Sandy Masin, Sue Tate, Maureen Felger, Sen. Terri Bonoff, Rep. Tina Liebling, Rep. Phyllis Kahn, Sen. Ann Rest, Patricia Tanji; (back) Rep. Steve Simon, Mark Liebow, Rep. Frank Hornstein, Matthew Knopf, Rep. Sarah Anderson, Rep. Jeremy Kalin, Hope Frisch Kalin, and Rep. Bernard Lieder.

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C88 Mc-DNR

# Panel's budget looked small. Then it met the deficit

## Outdoors council asks for loan to start its work but hits unexpected opposition

By Dennis Lien

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In state government, a \$150,000 annual budget doesn't seem like all that much.

But for the newly established Lessard Outdoor Heritage Council, it's suddenly become a bit of a

hurdle. A bill funneling that amount to the council for travel and administrative expenses is running into unexpected opposition, with critics questioning its very foundation.

"Do you get it?" state Rep. David Dill, DFL-Crane Lake, asked council Chairman Mike Kilgore at a

committee hearing last week. "We don't have any money."

With passage of the Clean Water, Land and Legacy Amendment in November, the state sales tax will increase by three-eighths of 1 percent in July, and that extra money will be used for conservation, clean water, parks and trails, and arts objectives over the next 25 years. One-third of the expected \$240 million raised each year will go through the Lessard council to conserve and protect wetlands,

prairies, forests and other fish and game habitat.

The bill is essentially an operating loan from the Department of Natural Resources' Game and Fish Fund to the council, which would pay back the agency once revenue from a constitutionally dedicated sales-tax increase begins to flow in August. The money would be used to reimburse daily expenses for members

BUDGET DEFICIT, 2A

CONTINUED FROM 1A

## > Budget deficit

traveling to and from meetings, for council operating expenses, and to hire an executive director and staff member.

The 12-member council, which has been meeting for more than two months, has until April 1 to recommend how those first monies should be spent. It meets again today.

Last year's legislation establishing the council allows up to 1 percent of revenue for administrative expenses, but it didn't appropriate the money. Rather, it said the DNR would provide that help. The council, however, wants to hire its own staff, and the DNR — which has been doing the work — is willing to allow it.

"We are in desperate need of getting some of our own staff so we can move forward," said Kilgore, also a forestry professor at the University of Minnesota.

State Rep. Rick Hansen, DFL-South St. Paul, is the bill's chief House sponsor, and Sen. Ellen Anderson, DFL-St. Paul, is the chief Senate sponsor. Both are legislative members of the council and had viewed the bill as a routine matter.

But with the state facing a projected \$4.85 billion budget deficit in the upcoming two-year cycle, money matters are getting lots of extra attention.

Several members of the House Environment and Natural Resources Finance Division objected to the council's request, suggesting it goes beyond what was intended or authorized, and questioned how money is being spent and whether an executive director is even needed.

Besides Dill, the most persistent skeptics were Rep. Benny McNamara, R-Hastings, and Rep. Sarah Anderson, R-Plymouth.

"We're not supposed to be robbing out of the Game and Fish Fund and paying people ahead of time," McNamara said.

After a sometimes-contentious debate, a vote was delayed until Tuesday. A couple of days earlier, the proposal withstood a challenge in a Senate finance committee before moved to the Senate floor.

When House committee members get more questions answered, Hansen said, he believes they will approve the proposal.

"I think folks know we need to appropriate the funds to be spent," Hansen said.

But Dill, saying the DNR was always envisioned to provide the help, has his doubts.

"There are a lot of people here who aren't interested in setting up another bureaucracy," Dill added later, referring to his House committee colleagues.

"I feel like it's a runaway horse already," he said of the council's proposal.

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Friday 2-6-2009

Vote 2008

# DFL keeps majority, outspends GOP 3-2

## But Republicans stop veto-proof bloc

PIONEER PRESS FEB 6 '09

By Martiga Lohn  
Associated Press

20,000 cast.

Other races attracted big money:

Minnesota House Democrats outspent Republicans by more than \$1 million in last year's election, helping them pad an already dominant majority.

Reports filed with state regulators showed the DFL House Caucus spent \$3 million, compared with \$1.9 million for the House Republican Campaign Committee.

Outside money came in, too — more than \$1 million in independent expenditures from interests including business groups and unions.

The figures don't include spending by the individual candidates.

All 134 House seats were on the ballot in November. Democrats picked up two seats and solidified their control of the chamber, but Republicans played defense and kept the DFL three seats short of a veto-proof majority.

An open seat in the Bemidji area drew the most outside spending. The caucuses and the Minnesota Chamber of Commerce's political arm spent nearly \$130,000 on the contest between Democrat John Persell and Republican John Carlson. It wasn't even close — Persell won by more than 1,500 votes out of nearly

20,000 cast. In the Cannon Falls area, House Democrats spent about \$49,000 defending incumbent Sandy Wollschlager. The GOP and conservative groups spent an equal amount to defeat her; Republican Tim Kelly won by about 3 percentage points.

In Eagan and Burnsville, Republicans and conservative groups spent more than \$83,000 trying to oust DFL incumbent Sandra Masin, but she beat Republican Diane Anderson anyway. The DFL spent about \$13,000 on the race.

DFL Rep. Al Doty squeaked through an expensive race in central Minnesota. Democrats and the political arm of the Education Minnesota teachers union outspent Republicans by more than 2 to 1, with outside spending topping \$86,000. Doty beat Republican Mike LeMieur by just 76 votes out of slightly more than 20,000 cast.

Republican incumbent Sarah Anderson easily defeated Democrat Clint Faust in Plymouth, backed up by more than \$78,000 in outside support from House Republicans and the political arm of the Coalition of Minnesota Businesses.

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Friday 3-13-2009

At the Capitol 5148.10

# The Pond pitched as X's little brother

St. Paul wants debt forgiven to build rink

By Dave Orrick

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PIONEER PRESS MAR 13 '09

Being called "Hockeytown USA" isn't good enough for St. Paul.

To make downtown truly a hockey mecca, it needs another stadium rink, Mayor Chris Coleman told state lawmakers Thursday.

And to build another rink, the city needs to get out of paying \$32.75 million it owes the state.

Armed with endorsements

from civic, business, entertainment and labor leaders — about every thumbs-up you can get to build something downtown — Coleman made the city's pitch before a state House subcommittee, which approved the idea by a voice vote along apparent party lines, with Democrats in favor and Republicans against.

"It creates jobs, it's shovel-ready and it can have an immediate impact on the economy,"

THE POND, 4B

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## > The Pond

Coleman told a subdivision of the House Finance Committee. "This is exactly what the city of St. Paul needs to be doing in this economy."

It's called The Pond — a name that recalls the frozen-lake roots of the state passion — but you can think of it as a mini-X. Across West Seventh Street, between the 10th Street Transit Center and the Xcel Energy Center on vacant city-owned land long eyed for development, the proposed 3,000- to 4,000-seat arena would serve as a practice rink for the Minnesota Wild NHL franchise and as the host for amateur, high school and youth hockey, and figure skating competitions.

The three-story, 120,000-square-foot building would be open year-round and, in addition to its single sheet of ice, could house shops and restaurants when the economy turns around, Coleman said. It also could be home to an "amateur hockey center of excellence" that would coordinate clinics and competitions, according to the city's written pitch.

Backers see it as rounding out the Minnesota Event District, which includes the River-

## The Pond, aka 'Mini-X'

St. Paul is asking the Legislature to forgive a nearly \$33 million loan so the city can build a \$35 million to \$40 million ice arena near the Xcel Energy Center called The Pond. It would host amateur and high school hockey tournaments and serve as a practice rink to the Minnesota Wild.



Source: City of St. Paul

PIONEER PRESS

Centre Convention Center, the Science Museum of Minnesota and the Ordway Center for Performing Arts.

Detractors see it as overaggressive forechecking in a city that ought to be guarding its open net.

Facing budget cuts, Coleman appears intent on closing the neighborhood Hamline-Midway Library, and at a meeting of frustrated patrons earlier this week, applause followed when one man shouted to Coleman, "How can you build

a new hockey rink when you're closing down a library?"

On Thursday, Republicans fired slap shots, too.

"I remember very vividly promises from St. Paul that this was a loan, and, yep, yep, you're going to pay it back," said Republican Rep. Sarah Anderson, of Plymouth, who said she was a Capitol staffer in 1998 when St. Paul took out the no-interest loan. "And now, here you are."

That \$48 million loan was used to cover less than half the cost of building the Xcel Center. The city has paid off \$8.25 million so far under a schedule that balloons as it approaches 2021. The city is proposing continuing to make its next four annual payments, totaling \$7 million, so the state wouldn't feel any fiscal pain for the next several years. The city wants the remainder — \$32.75 million — forgiven and wants to take out taxpayer-guaranteed loans for about that amount to build The Pond. The future of the plan is unclear.

The city has tried previously — and failed — to persuade lawmakers to forgive the debt. The difference this year, the city says, is that plans for the rink are now more solid. And the Pond name is new. In the past, Gov. Tim Pawlenty has not supported the loan forgiveness.

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# <sup>E8</sup> House backs \$366 million for jobs

## Bill helps St. Paul's plan for Wild rink

PIONEER PRESS APR 25 '09

By Jason Hoppin

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The Minnesota House on Friday approved a \$366 million jobs and economic development bill that sets aside millions to retrain workers, rehabilitate neighborhoods and nurture small businesses amid what many experts call the worst economy since the Great Depression.

"This is really a jobs bill," said Rep. Karen Clark, DFL-Minneapolis, a key supporter.

The bill passed with a 78-50 vote.

It includes \$32 million in debt forgiveness for the city of St. Paul, wiping off the books a state loan that helped build the Xcel Energy Center. That provision, also in a Senate version of the bill, aids the city's plan to borrow up to \$40 million for a planned downtown development that includes a practice hockey rink for the Minnesota Wild.

The provision was not free from controversy, with several Republicans leveling harsh criticism.

"This is ridiculous. ... This is how messed-up our priorities are," said Rep. Sarah Anderson, R-Plymouth, adding that the state should not be giving up funds at a time of declining revenues.

While a provision allowing St. Paul to borrow up to \$40 million for the project was stripped from the Senate bill, a city lobbyist said it would be reintroduced as part of a separate public financing bill.

The bill also sets aside \$350,000 to help the city of Hugo recover from a devastating May 2008 tornado. Another \$300,000 would help establish the International Renewable Energy Technical Institute at Minnesota State University in Mankato.

A move by Rep. Steve Gottwalt, R-St. Cloud, would have allowed employers to

apply employee tips toward state minimum-wage laws, which would have cost wait staff and others who earn tips. Republican leadership backed the move, saying it would create more jobs.

House Speaker Margaret Anderson Kelliher made a parliamentary ruling that prevented a vote on the amendment.

An amendment that was adopted reduces funding for the Minnesota Combative Sports Commission. It also called for the commission to be dissolved if it cannot become self-funded by 2013.

The amendment also includes a "Made in America" rule, prohibiting public employers from purchasing uniforms and safety equipment made outside the United States. An attempt to remove the provision failed, 86-42.

"We've done our best to try to backfill cuts that were made by the governor ... and do things to put people back to work in the state of Minnesota," said Rep. Thomas Rukavina, DFL-Virginia.



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# House, Senate back \$1 billion tax hike, but veto is looming

## ◀ CAPITOL FROM A1

to attempt an override.”  
DFLers have successfully overridden the governor only once before, when they peeled off six Republicans in 2007 to increase the gas tax. This time, because of bulked-up numbers from the 2008 election, the DFL would need all of its members and only three GOP votes in the House. Senate DFLers already have a veto-proof majority.

**Going to the mat**  
“This is a defining moment of this session,” said Rep. Paul Marquart, DFL-Dilworth. “With 10 days to go, this is a game-changer. It breaks our logjam and moves us closer to a successful session and one we can get done on time.”

But Marquart and others signaled that, having found unity on a select number of taxes, DFLers may be prepared to go beyond the scheduled May 18 adjournment, if necessary. “We are willing to go to the mat to protect our senior citizens, our young families, our students,” Marquart said. “Dollar for dollar, dime for dime, this money goes to fund our most cherished priorities.”

In a letter to House and Senate leaders before the votes, Pawlenty, too, sounded determined to resist what he called “a hastily processed and ill-considered tax increase proposal.”

Pawlenty asked in the letter that the Legislature send him the bill “today so I can veto it immediately and leave a maximum number of days for better legislation to be considered and passed.”

House Minority Leader Marty Seifert, R-Marshall,

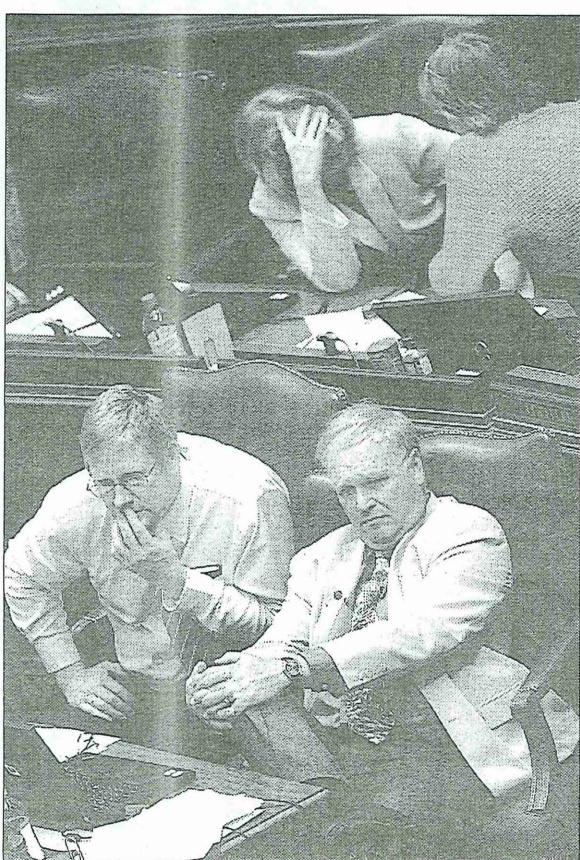
called the legislation “a really bad bill ... cobbled together in the dark of night,” that would leave the state with one of the highest alcohol taxes in the country and the fourth-highest income tax rate.  
Sen. Geoff Michel, R-Edina, said the bill would kill jobs. “We’re going to get to watch the governor play catch-and-release,” he said, playing on today’s state fishing opener. “This is going to be the fastest veto in the history of Minnesota.”

**Who pays**  
The bill is the product of a late compromise between House and Senate DFLers after they realized they could not get enough support even from their own members for earlier and far heftier tax proposals. This bill limits its bite to a fraction of the population and those taxes that polls have indicated a majority of Minnesotans support.

More than 65 percent of the income taxes would be paid by those who net more than \$1 million a year and 94 percent of small businesses would see no change in their tax bills, according to nonpartisan House research. The income tax hike is scheduled to sunset in 2014 if the state is in the black by then.

Pawlenty and GOP legislators have insisted that higher income taxes would further damage a fragile economy and could send jobs out of the state.

But DFLers countered that health care has become a major industry in the state, with hospitals and nursing homes providing not only a valuable service, but economic lifeblood to struggling rural areas. They expect to bring that last point home to Republican legislators



MARLIN LEVISON • mlevison@startribune.com  
GOP Reps. Paul Anderson, of Starbuck, left, and Dean Urdahl, of Grove City, took in the House debate on Friday. The House passed the bill, a compromise between House and Senate DFLers, 86-45.

### « I DIDN'T COME HERE TO RAISE TAXES, BUT I DIDN'T COME HERE TO DISMANTLE MINNESOTA. »

Rep. Ann Lenczewski, DFL-Bloomington, chairwoman of the House Taxes Committee

with nursing homes and hospitals in their districts that are on the point of financial ruin.

While a number of Republicans pledged on the floor that they would not be swayed, House Taxes Committee Chairwoman Ann Lenczewski, DFL-Bloomington, urged them to keep an open mind. “We know that sometimes people think anew when they have to make choices,” she said. “If there are people who want to say they value million-dollar earners

over our schools, our health care, vote no. I didn’t come here to raise taxes, but I didn’t come here to dismantle Minnesota.”

As distasteful as raising taxes might be, she said, the alternative was Pawlenty’s “debt-borrowing scheme” that would keep the state paying interest for years.

Sen. Tom Bakk, the Senate Taxes Committee chairman, said the bill was hardly perfect. But borrowing money to close the deficit, he said, was “unac-

ceptable.”  
The bill also would make a potentially major change to Minnesota’s credit card market, with a special 30 percent surcharge tacked on to earnings a company made from interest rates above 15 percent.

Kelliher said the provision was intended to rein in companies who were “gouging their customers,” and would produce \$230 million over two years. But Republicans warned of unintended consequences.

“In the last 10 years I don’t think I’ve seen a tax provision more imprudent,” said Revenue Commissioner Ward Einess. “This has the possibility of having a permanent credit crunch in this state.” He predicted that costs would be passed on to consumers and could result in far tighter credit.

**Deeper cuts**  
Even with the \$1 billion tax increase, DFLers must still find an additional \$500 million to \$700 million to bring their budgets into balance. That could well mean additional cuts to every major part of state government, including schools, health care, public safety or higher education.

DFLers are trying to avoid Pawlenty’s level of health care cuts, which would eliminate eligibility for 113,000 Minnesotans by 2011, when federal bailout money runs out.

“This is a sham,” said Rep. Sarah Anderson, R-Plymouth. “This is your idea of bold leadership? I think it’s time for you to step aside.”

But House Majority Leader Tony Sertich, DFL-Chisholm, said he recalled the last time the state had to fill a \$4.5 billion shortfall, just after Pawlenty took office in 2003. That year, he said, schools were cut and the remedies fell heaviest on the state’s most vulnerable citizens.

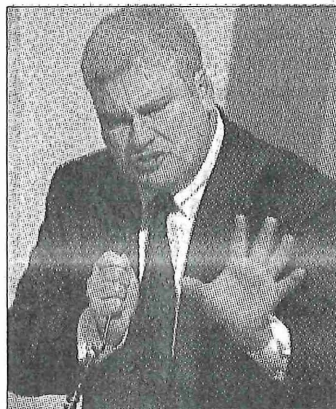
“Bad things happened in this state,” he said. Now, he said, the time had come to stop saying no and “try to say yes.”

Staff writer Kevin Duchscherer contributed to this story.  
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B30.4

# \$1 billion tax hike passes House, Senate



✓ MARLIN LEVISON • Star Tribune  
Rep. Tom Emmer, of Delano, was one of the Republicans speaking out against the tax bill on Friday.

- Pawlenty vowed to reject as soon as he can the plan to raise income and alcohol revenue.

By PATRICIA LOPEZ  
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STAR TRIBUNE MAY 9 - '09  
Despite a governor vowing to veto the bill as soon as he can "get the cap off the pen," the DFL-controlled Minnesota House and Senate voted Friday for a bill that would raise income taxes on the wealthiest 2 percent of Minnesotans, boost alcohol taxes by four to five cents a drink and throw a hefty surcharge on credit card companies that charged high interest rates.

The bill would raise \$1 billion

over two years and dedicate the money to schools, hospitals and nursing homes. It would, DFLers say, take the place of Republican Gov. Tim Pawlenty's proposal to borrow a similar amount through appropriation bonds.

The House's approval came on a 86-45 vote. Later in the evening, the Senate passed the bill 44-20.

Passage of the bill sets up a showdown with the governor, who has refused to consider tax increases as a means of solving

the state's \$4.6 billion deficit.

Before the House vote, Speaker Margaret Anderson Kelliher, DFL-Minneapolis, said DFLers have tried to compromise with Pawlenty, making even deeper spending cuts than he had, but DFLers had been frustrated by what she called his "tremendous stubbornness in attitude."

If he remained inflexible, she said, legislators "will be left with only one choice, and that is

Capitol continues on A13 ▶

## WHAT THE BILL WOULD DO

- Create a fourth-tier income tax rate of 9 percent for high-income earners.
- Raise sales taxes from 2.5 percent to 5 percent on alcoholic beverages.
- Charge credit-card companies a 30 percent surtax on income from interest exceeding 15 percent.
- Grant higher tax credits to small-batch brewers.
- Raise \$1 billion over two years.

(Over)



# Who's going to pay for this?

• Gov. Pawlenty wants to know how he can sign off on a \$34 billion budget, but DFLers say the ball is in his court.

By KEVIN DUCHSCHERE  
and MARK BRUNSWICK  
Star Tribune staff writers

STAR TRIBUNE MAY 14 '09

Elementary schools and high schools would be spared budget cuts. Colleges would face only small reductions. Ground would be broken for construction and rehab projects across the state.

Minnesotans would be assured that state government would stay open for business this summer, even if budget negotiations break down.

All that and more was included in a flurry of major bills passed Wednesday by a DFL-controlled Legislature that put its shoulder to the wheel and moved close to completing a \$34 billion two-year budget for the state.

Trouble is, all of it could swiftly fall apart when it collides with the reality of a \$3 billion disagreement between DFLers and Republican Gov. Tim Pawlenty over how to pay for the spending wish list in the face of a \$4.6 billion budget deficit.



Before DFLers even got rolling on a full slate of money bills Wednesday, House Republicans asked Pawlenty not to sign any more spending measures until it's determined where the money is coming from.

"Governor Pawlenty, There is no viable plan to the \$250 million agriculture and veterans package he had just voted for. We've got an entire budget problem to solve."

Pawlenty agreed. In a letter later in the day to House Speaker Margaret Anderson Kelliher and Senate Majority Leader Larry POGEMILLER, the governor said he was "greatly disappointed" that legislators were approving spending bills without "having a viable plan... to pay for them."

The DFL-led House and Senate are \$3 billion short of what they need and leaders say that any one-time fixes now must be accompanied by new, permanent revenue. Authorized spending amounts to \$34 billion, while funding so far totals only about \$31 billion, Pawlenty said.

Session continues on p. A14

A14 • STAR TRIBUNE • THURSDAY, MAY 14, 2009 ★★

## Governor balks at budget bill; DFL has counteroffer

SESSION FROM A1

"Before we commit the state to write checks from the public checkbook, I need to know how you intend to cover the \$3 billion hole in your plan. ... It is time for you to fill in the blanks," Pawlenty said.

House and Senate leaders made a counteroffer Wednesday afternoon. It accepts larger school payment shifts, takes more out of budget reserves as long as there is a plan for refilling the rainy day fund, but still maintains the need for what was described as "on-going revenue."

"At this point the ball is on the governor's court on this \$3 billion gap," said House Speaker Margaret Anderson Kelliher, DFL-Minneapolis.

With time running out for an agreement, both the House and the Senate voted for a so-called

"lights on" bill that would keep state agencies operating at current levels past June 30 if lawmakers fail to enact a budget by then. The bill now goes to Pawlenty.

Democratic House Majority Leader Tony Sertich said the aim still is to complete the budget on time. "But as the Boy Scouts say, we should always be prepared," said Sertich, DFL-Chisholm.

Republicans objected, saying continuing current appropriations for up to a year would drain the state treasury, which has a \$4.6 billion deficit in the next two years.

"This isn't a lights on bill — this is putting the state on a dimmer switch until finally it is dark," said Rep. Sarah Anderson, R-Plymouth.

### Cushioned cuts to schools

The Senate and House easily

approved two closely watched education bills. A higher education bill cuts funding for the University of Minnesota by 2 percent, when federal stimulus funding is included. The State Colleges and Universities system will see a 1 percent cut after including stimulus dollars.

The bill includes tuition caps at both the University and the MnSCU system.

The K-12 bill that passed in both chambers largely holds funding flat. While not welcome news for schools statewide, it's better for them than what the Senate had originally proposed: a 3 percent cut that many school administrators said would be devastating.

Many school districts have been building their 2009-10 budgets assuming that their state funding would remain flat. Freezing school spending would

keep it at about \$13.7 billion over the two-year funding cycle.

Despite passage by both chambers, the road to education funding could still be a rocky one.

Education Commissioner Alice Seagren predicted after the conference committee adjourned Tuesday that Pawlenty would veto the bill.

"There are a lot of problems with it," she said. "There's no education reform. It's not a satisfactory bill. I'm disappointed." Rep. Mindy Greiling, DFL-Roseville, chair of the education finance committee, said the K-12 bill wouldn't necessarily require raising taxes or creating new ones, though more money needs to be found to pay for it.

"The bill is dependent on budget balancing and coming up with some more money," she said.

### Veterans, flood relief

With five days left before the end of session, the House and Senate made quick work of a series of major spending bills.

Among them were a \$308 million bonding bill heavy on campus construction and flood prevention, and a \$250 million measure that includes spending for agriculture and veterans. The latter won a rare unanimous vote in the House.

The agriculture and veterans package for the next two years is \$8.6 million smaller than before. Most of the cuts come out of the \$89.1 million farm portion, and the bill reduces payments to ethanol producers over two years.

Funding for veterans and military affairs is \$162 million, about the same as before although \$13.4 million less than Pawlenty had sought. Spending for veterans homes was increased \$4.4 mil-

lion, and a program for homeless veterans received \$250,000.

The bonding bill encountered little opposition in either chamber. It provides \$100 million in shovel-ready construction projects and \$85 million for building renovation and maintenance, said sponsor Rep. Alice Hausman, DFL-St. Paul.

About \$54 million goes to flood mitigation projects in the Red River Valley, which saw record flooding this spring. The bill also includes another \$17.6 million for the flood recovery effort, relief for last year's tornado in Hugo and the St. Charles fire.

Staff writers Patricia Lopez and Norman Draper contributed to this story.

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