



New Laws Effective July 1, 1999

Editor's note: *The following is a listing of selected new laws that become effective July 1, 1999. These are laws passed during the 1999 Legislative Session. A complete summary of all laws passed by the 1999 Legislature will be available soon from the House Public Information Office. Ask for "New Laws 1999."*

CRIME

Judiciary spending bill

A \$1.1 billion judiciary finance package contains several provisions that are effective July 1, 1999.

The new law provides funding to the state court and correctional systems, law enforcement and public safety agencies, and other agencies, such as the human rights department and the crime victim services center. The two-year budgets for these agencies begin July 1, 1999.

The measure also contains several policy provisions that have an impact on the state's criminal justice budget. The policy provisions included here are all effective July 1, 1999.

Rep. Sherry Broecker (R-White Bear Lake) and Sen. Randy Kelly (DFL-St. Paul) sponsored the omnibus judiciary finance measure.

HF2404/SF2221*/CH216

Police pursuit

The new law addresses several issues involving police chases, including mandating additional training time for officers, creating a statewide pursuit policy, providing new technologies for training and pursuit, and strengthening laws against fleeing an officer.

Under the law, the Peace Officer Standards and Training (POST) Board must establish a pursuit training course for police officer cadets. The law mandates that each cadet receive at least seven hours of training and that all current officers receive at least eight hours of training every three years. And the law provides \$600,000 in grants over the next two years to assist local law enforcement agencies with the new training requirements.

The new law also requires the POST Board to develop a statewide model pursuit policy. The policy will be used to develop guidelines for each local law enforcement

agency. Under prior law, local agencies were given wide latitude to establish their own procedures for pursuit.

And the measure provides funding for technologies that will, supporters hope, end pursuits more quickly, including \$400,000 to pay for so-called "stop-stick" tire deflators to be distributed to local agencies.

Courts and public defense

The state court system receives \$222.6 million during the two-year budget period, under the new law.

Of that amount, the Minnesota Supreme Court receives \$51.8 million, the Court of Appeals gets \$13 million, and the trial courts receive \$156 million.

Included in the trial court appropriation is a measure providing 13 additional district court judges to be phased in over the next two years. The proposal will eventually increase the number of judges in five of the state's 10 judicial districts, and it provides \$4.7 million for these new positions and related costs.

Three new judges are funded beginning July 1, 1999 one each in the 7th, 9th, and 10th judicial districts.

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The original request called for 18 new judgeships in the state. Court officials told lawmakers that their original proposal would have provided a 6.5-percent increase in judgeships since the last time new judges were approved in 1995. Meanwhile, caseloads have increased by 10 percent over the same period.

Community crime fighting

The Department of Public Safety receives \$86.4 million over the two-year budget period, under the measure. Of that amount, \$17.8 million goes for law enforcement grants to be awarded to individual communities.

Part of that sum is \$1.5 million to assist the courts in Minneapolis now dealing with the influx of cases as a result of that city's CODEFOR police strategy.

CODEFOR, which stands for Computer Optimized Deployment-Focus on Results, uses computer analysis to deploy police resources based on daily reports of crime. The management plan also seeks to actively involve the community in policing, holds precincts and divisions accountable for results, and focuses on crime reduction as the overall police mission.

The measure provides \$1 million in grants to assist local agencies in the development of integrated criminal justice computer systems. And the new law expands the state criminal justice information policy group to include representatives from local government organizations and professionals from the business sector with expertise in integrated computer systems.

Also, \$500,000 is provided for grants under the community-oriented policing (COPS) program. Under the COPS program, local law enforcement agencies can apply for grants to pay for police officer overtime in high crime areas within their jurisdiction.

Stopping criminal gangs

Another \$1.5 million in community grants goes to the state criminal gang oversight council and strike force over the next two-year budget period and \$3.6 million goes to a grant program that assists local law enforcement agencies in developing strategies to deal with criminal gangs.

The new law states that the base budget of the public safety department is to be increased by \$1.6 million each year to maintain funding for the gang strike force grant program. And the law directs the oversight council to review its mission and report back to the Legislature.

DEVELOPMENT

Funds for jobs, housing

A new \$498 million jobs and economic development law includes a heavy emphasis on affordable-housing initiatives and a boost to the state tourism department.

The spending measure provides funding for two dozen state agencies over the two-year budget period beginning July 1, 1999, including the departments of commerce, economic security, housing, labor, and trade and economic development.

The law also includes several one-time funding initiatives designed to address short-term employment and development issues.

Rep. Dan McElroy (R-Burnsville) and Sen. Jerry Janezich (DFL-Chisholm) sponsored the omnibus legislation.

HF2390*/SF2227/CH223

Housing initiatives

The Minnesota Housing Finance Agency receives \$120.5 million over the next two-year budget period, to address a current shortage of affordable housing. That's \$45 million more than was provided in the previous biennium

Included in that amount, \$30 million goes toward preserving federally subsidized rental housing. Many owners of federally subsidized properties have been opting out of the federal program and charging market-rate rents. The state funds will provide incentives for property owners to remain in the program.

The law also directs the department to establish a "challenge grant" program. The grants and loans can be made available to developers, non-profits, and cities for housing development specifically targeted for job creation and economic development. Under the measure, a one-time appropriation of \$20 million goes for the challenge grants and loans.

The law establishes an "innovative and inclusionary housing" program. The program will finance housing developments that use innovative building techniques and are located in communities willing to waive housing regulations that might increase the costs of the new building practices.

The developments can be owner-occupied or rental units, and they must serve families with a broad range of incomes. The program receives a one-time appropriation of \$8 million, under the new law.

The law also includes a housing proposal that seeks to provide stable housing for families with school-aged children.

Specifically, the measure allows organizations to apply for grants through the Family Homeless Prevention and Assistance Program, which was established by the Legislature in 1993. That program provides grants to counties and nonprofit organizations for efforts to prevent homelessness.

Under the measure, a new project aimed at providing stability for homeless children is added to the existing program.

The program will combine the housing services with job training, social services, and the schools. The measure provides \$1 million for the project.

Tourism in Minnesota

The Minnesota Office of Tourism receives \$21.7 million beginning July 1, 1999 an increase of almost \$5 million over the last two-year budget period.

The new funding, recommended by the governor, is to be used for advertising and marketing efforts. The measure directs the agency to use the funding to leverage private sector tourism marketing.

And the new law seeks to promote efforts aimed at year-round tourism and those aimed at non-resident travelers.

The tourism office gets an additional \$750,000 in one-time funding to enhance its Journey travel destination system. That money is to be matched with private dollars.

The tourism office will also provide \$1.6 million to the Minnesota Film Board to be matched with non-state resources. The funds will be used to partially reimburse film producers for wages paid to Minnesota film crews.

EDUCATION

Billions for K-12 education

Several provisions of a record K-12 spending package are effective July 1, 1999.

The \$7.9 billion measure provides Minnesota schools with their largest per-pupil funding boost in a decade.

The new law also earmarks about \$86 million over two years for class-size reduction initiatives and directs money to help diminish funding disparities between districts. Special education, charter schools, breakfast, and all-day kindergarten programs are also supported under the new law.

Here are some highlights of the legislation, which was sponsored by Rep. Alice Seagren (R-Bloomington) and Sen. Larry Pogemiller (DFL-Mpls).

HF2333*/SF2242/CH241

Formula boost

School districts will get an extra \$285 per pupil unit over the next two years, under the new law. That represents a 4.7-percent increase to the general formula for the 1999-2000 school year, followed by a 3.2-percent increase the following year, bringing the annual per-pupil funding from \$3,530 this year to \$3,925 in 2001. (That increase also includes a shift of \$43 per pupil that used to be in a separate component called graduation standards funding, and, in the 2000-01 school year, an extra \$67 per pupil that is currently given to districts under a cooperation revenue category.)

Of the second-year spending hike, \$50 per pupil unit is contingent upon a rosy November 1999 budget forecast.

The general formula funding through which districts receive the bulk of their state revenue is figured on weighted per-pupil units, with secondary students receiving more revenue than elementary students.

The proposed hike will cost the state more than \$400 million, which will be part of the \$6.1 billion sent to districts in general formula funding during the biennium.

Class-size reduction

The measure does not fund class-size reduction initiatives at the level originally proposed by Gov. Jesse Ventura, but it does set aside up to almost \$100 million for that purpose. Ventura, who advocated reducing all kindergarten through third-grade classes to 17 children per teacher, called for \$150 million in two-year funding for the initiative.

The new law directs \$86 million over two years to efforts to reduce class sizes, and it requires districts to reserve \$3 per pupil unit in 2000 and \$11 per pupil unit in 2001 of their general formula funding for class-size reduction, all-day kindergarten, or certain special education initiatives. School boards would be required to pass a resolution stating which program they plan to fund.

If all districts chose to use that \$3 and \$11 per pupil for class-size reduction, that would bring total spending on those initiatives up to almost \$100 million over the two years. In a message filed with the signed law, Ventura urged districts to also dedicate the \$50 million contingent appropriation to class size reduction.

"Smaller classes get results, and if the funds are available in the November forecast, they should be used to reduce class sizes by funding licensed classroom teachers," he wrote.

School breakfasts

The new law establishes a statewide grant program aimed at ensuring that all children eat breakfast each school day. Almost \$6 million over two years will go to districts that have high percentages of students receiving free or reduced-price lunches.

The grants expand the current Fast Break to Learning program, which provides money for in-school breakfast to 41 districts. Under the new law, grants will be continued to those 41 districts and other districts will have the opportunity to apply for the additional money, which will be awarded based upon percentages of students receiving free or reduced price lunches.

Districts will have to match every \$3 of state money with \$1 of local funding, and the program will be repealed in 2001.

The programs in the pilot schools have been shown to increase test scores and reduce discipline problems.

Charter schools

Fledgling charter schools will see more state money under the measure. Funding for building lease costs will jump to \$1,500 per pupil from the current level of about \$465 per student. And \$3.7 billion will be targeted to help with charter school start-up costs over the biennium.

Other provisions are aimed at making it easier to create new charter schools. Cities, towns, and educational cooperative boards are included in the list of entities that can sponsor charter schools, and districts are required to convert existing schools to charter schools if 60 percent of full-time teachers at a school petition for the change. Under prior law, 90 percent of those teachers needed to petition to mandate a conversion.

The new law also requires school districts that are considering sponsoring a charter school to make the decision in 90 days or less. And, if the district rejects the proposal, the measure provides for an automatic appeal to the State Board of Education or the new appeals board.

Students as teachers

College students training for careers in education are eligible to become substitute teachers, under a provision contained in the new law.

Students are able to finish up their degrees while gaining more classroom experience under the plan, which is an effort to combat a current and projected substitute teacher shortage in the state. As part of the requirements for a substitute teacher's license, students must have completed their student-teaching components.

And although Gov. Jesse Ventura used his line-item veto to eliminate funding for the program, a new teacher training pilot program is included in the new law.

Under the proposed program, students could work alongside professional teachers in K-12 classrooms while gaining college credits. The Department of Children, Families and Learning must approve the programs, and districts have to coordinate with post-secondary institutions to meet students' training needs.

The new law authorizes implementing the programs, but the governor's veto eliminated \$100,000 that would have gone to help districts set up the pilot programs.

ENVIRONMENT

Funding for agriculture, environment

Key provisions of a new \$1.1 billion spending law for agriculture, environment, and natural resources projects are effective July 1, 1999.

Biennial budgets for the Department of Natural Resources (DNR), the Minnesota Pollution Control Agency (MPCA), the Office of Environmental Assistance (OEA), the Department of Agriculture, and other organizations are provided by the law.

Rep. Mark Holsten (R-Stillwater) and Sen. Jane Krentz (DFL-May Township) sponsored the measure.

HF2388/SF2226*/CH231

Rural development

The \$168 million two-year budget for Department of Agriculture includes more money for marketing initiatives to promote, develop, expand, and enhance the marketing of agricultural products from Minnesota producers and processors.

Ethanol processing plants receive \$74.7 million, which will help bring several of those facilities to full capacity. Also, the law provides a \$500,000 loan to develop an ethanol plant in Little Falls.

The law allocates \$750,000 to continue research on feedlot technology, including tests of chemicals that are designed to reduce the odor from manure pits.

The measure spends another \$900,000 for the biennium to pay for collaborative efforts between the commissioner of agriculture and organizations with marketing expertise, including the Department of Trade and Economic Development and the World Trade Center Corporation.

Funds for DNR

The \$514.8 million DNR budget includes \$3 million in grants for watershed districts near the Red River to prevent flooding problems, \$2 million for proposed recreational trails throughout the state, \$1.7 million for state park operations, and \$1.2 million to improve computer systems in the department.

Some hunting and fishing advocates had supported fee increases for licenses, but the law keeps license fees at the existing levels. Revenue from license fees is spent on enforcement of game and

fish laws and on projects to enhance habitat areas for game and non-game wildlife.

The new law also allocates \$2 million from the state's general fund for those types of projects. Proponents of the general fund appropriation said hunting and fishing license fees should not be the only funding source for those projects because they provide general environmental benefits.

The Legislature had proposed spending \$4.1 million from the general fund in those areas, including \$1 million for walleye stocking, but Gov. Jesse Ventura used a line-item veto to eliminate the second year of that appropriation. In a letter filed with the measure, Ventura urged lawmakers to increase license fees in the 2000 session instead.

Pollution prevention

The two-year budget for the Minnesota Pollution Control Agency is \$250.9 million, under the measure. The agency's budget is divided into water, air, and land divisions.

The MPCA budget includes \$600,000 to continue research on deformed frogs found in Minnesota.

Pollution cleanup provisions include \$2.75 million in grants to supplement the Clean Water Partnership Grant Program, \$323,000 to implement programs for reducing pollution from mercury, and \$965,000 to allow additional solid waste disposal facilities to be included in the state's landfill cleanup program.

The law also provides a \$901,000 increase in the MPCA budget to pay for enforcing feedlot regulations. Proponents of that funding said it will help counties prevent pollution by ensuring newly constructed feedlots comply with codes.

Minnesota Zoo

The Minnesota Zoo's budget is \$34.3 million for the biennium, \$14.4 million of which is from the state's general fund.

Funding for the fiscal year 2001 is contingent upon the zoo's governing board developing an alternative plan to its current structure as a state agency. Alternatives could include converting the zoo to a private, nonprofit entity.

The zoo's biennial budget is a \$3.4 million increase over the budget for the 1998-99 biennium..

FAMILY

Funds for families, kids

Paring the state's long waiting lists for child-care subsidies is a major aim of a new law that authorizes \$462 million in state funding for child care, temporary housing, and family education programs. The spending begins July 1, 1999.

In addition to state funding, the measure transfers \$80.4 million in federal funds from the Temporary Assistance for Needy Families (TANF) block grant to the state.

That money primarily funds child-care initiatives. It mostly goes to shorten long waiting lists for the Basic Sliding Fee program, which is a state initiative to help low- and moderate-income working families pay for child care using an income-based, sliding-fee scale.

Rep. Barb Sykora (R-Excelsior) and Sen. Pat Piper (DFL-Austin) sponsored the legislation.

HF1467*/SF2222/CH205

Children and families

Programs that provide care and development for children receive \$406.9 million in state and federal funds over the two years.

That money, which accounts for the bulk of the law's spending, is divided among welfare child-care programs, the Basic Sliding Fee program, early childhood education, and the federal Head Start program.

The boost in funding shortens county waiting lists for the Basic Sliding Fee program. The increase removes about 3,000 of the 7,000 parents on the current lists. However, the law raises family co-payment fees to help pay for the increased aid.

The state's at-home infant care program, which pays subsidies to working parents who want to stay home to care for their children, is expanded under the new law. In the past, parents who applied for the program were placed on the same waiting list as applicants for the Basic Sliding Fee program. Because of long waiting lists, parents often found that their children had outgrown the need for the infant program when their name finally came up.

The law separates the programs on the waiting list, allowing parents to opt for the at-home program right away.

Another provision aimed at shortening waiting lists requires counties to pre-determine a family's eligibility for child-care assistance before putting them on a waiting list. Counties are now

required to update their waiting lists at least every six months to keep them current.

The measure also includes a policy for investigating child-care assistance fraud. As part of that plan, a new universal application form will be created and used by county and state officials to help keep track of families receiving child-care assistance.

The fraud prevention initiative includes penalties for families who wrongfully obtain child-care assistance. Those penalties include temporary and permanent disqualification from state-subsidized child-care programs.

Self-sufficiency programs

The law allots \$42.6 million for adult basic education, and nearly \$2 million in additional money goes to support those programs in rural Minnesota.

And teachers of English as a second language in adult basic education programs are no longer required to earn a teacher's license. Instead, they must have a four-year degree in English or another approved subject area.

The law grants transitional housing programs nearly \$4 million, and emergency shelters receive about \$700,000. A portion of the transitional housing funding goes toward programs to help homeless veterans.

Child support in court

A new law creates a new process for child support hearings to replace an administrative law process struck down by the Minnesota Supreme Court.

Under the previous system, child support cases involving public authorities were heard through an administrative law process. Because counties often enforce child support payments, such cases accounted for most child support cases.

The Legislature had moved the cases from the state district courts in an effort to provide a more expedient process and a more informal setting in which to decide child support issues.

But in a ruling released Jan. 28, 1999, the Supreme Court found that the administrative hearing process for child support cases is unconstitutional.

The Supreme Court stated that the process violates the separation of powers outlined in the Minnesota Constitution. And the court concluded that such decisions belong in the judicial branch and not in the executive branch.

The court stayed the effect of the ruling to give the Legislature time to modify the system.

The new law, effective July 1, 1999, repeals the unconstitutional administrative process and creates a new expedited process in the judicial branch.

The measure establishes child support magistrates to oversee the hearings and charges state courts with outlining rules for the process.

The Office of Administrative Hearings heard about 12,000 child support cases in 1998. Officials say that 93 percent of all child support orders were issued within 30 days of the hearing.

Rep. Len Biernat (DFL-Mpls) and Sen. Leo Foley (DFL-Coon Rapids) sponsored the new law.

HF510/SF23*/CH196

GOVERNMENT

Funds for state government

The omnibus state government finance law spends \$721.4 million over the two years beginning July 1, 1999 on the operating budgets of Minnesota's constitutional offices, the Legislature, and executive branch agencies.

The law includes \$31.7 million for electronic government service initiatives designed to make government more efficient.

Those initiatives include establishing an electronic directory for government services available online, providing business licenses over the Internet, and restoring

\$2 million that would have been cut from the Office of Technology, which coordinates information technology projects throughout state government. Also, the law establishes a separate budget book for new technology initiatives in state government.

The measure was sponsored by Rep. Dave Bishop (R-Rochester) and Sen. Leonard Price (DFL-Woodbury).

HF878*/SFnone/CH250

Historical correction

The Capitol Area Architecture and Planning Board receives \$10,000 to work with the Minnesota Historical Society on a plaque to correct inaccurate information on a current Spanish-American War commemorative plaque.

The plaque hangs on a wall in the Capitol Rotunda, and the \$10,000 will pay for a second plaque that will clarify the information and be placed by the existing piece.

The existing plaque honors the 13th Minnesota Volunteer regiment, sent in 1898 to fight the Spanish in the Philippines. However, Americans actually ended up fighting the Filipinos, who had been seeking independence from Spanish rule. The Spaniards had relented by the time the Minnesota regiment arrived, and they granted control of the Philippines to the United States.

One account estimates that 220,000 Filipinos and 4,000 Americans died in the war, which lasted from 1898 to 1901.

Critics of the 51-year-old plaque include many Filipino-American organizations that charge that it is racially offensive and historically inaccurate.

Veterans' benefits extended

The deadline for Persian Gulf War veterans to apply for bonuses is extended from June 30, 1999, to June 30, 2001, under the new law.

The 1997 Legislature allocated \$17 million for bonuses and related administration costs, but fewer Gulf War veterans than expected have applied for the bonus through the Minnesota Department of Veterans Affairs.

The law apportions bonuses at three levels. About 13,200 veterans who are eligible for the Southwest Asia Service Medal essentially those who served in the war zone can receive \$600 each. Another 30,500 veterans who were preparing to be shipped overseas can each receive \$300. The families of the nine Minnesota soldiers killed in the war are each eligible for \$2,000.

The bonuses are similar to those paid to veterans of the Vietnam War, except that families who lost a loved one during that war received \$1,000.

Only about one half of the \$17 million has been claimed by Gulf War veterans. The law extends the deadline to apply for a bonus in hopes of allowing more veterans to claim the money. The

department's budget also includes some money for publishing notices to inform veterans that the bonus is available.

Y2K preparation

In anticipation of some computer systems failing to make the transition from the year 1999 to 2000, the law appropriates \$20 million from the general fund to allow school districts and other local units of government to apply for emergency grants.

The grants will be administered as loans and are to be used to correct problems that are likely to affect public health and safety or cause "catastrophic loss to property or the environment." The loans will have to be paid back by the end of the fiscal year 2001.

New veto authority

Rules adopted by state agencies can be vetoed by the governor, under a new law effective July 1, 1999.

Copies of all new rules approved by state agencies must now be sent to the governor. If the governor chooses to veto a rule or a part of a rule, he or she must then forward it to the Legislature.

Rep. Marty Seifert (R-Marshall), who sponsored the measure in the House, said the state could have benefited from this measure regarding two recent controversial rules the so-called diversity rule and the Profile of Learning that were considered or created by the State Board of Education.

In those examples, the governor could have vetoed the entire rules or only certain parts, such as the much-criticized paperwork requirements that accompanied the Profile of Learning initiative. He described the bill as a "modest proposal to give the governor some oversight in the rulemaking process."

Sen. John Hottinger (DFL-Mankato) sponsored the measure in the Senate.

HF1905*/SF1993/CH129

HEALTH

Growing role for nurses

The state's advanced-practice nurses are accorded separate legal status and their role in the health care world is defined, under a new law effective July 1, 1999.

The measure defines education requirements and the scope of practice for registered nurses engaged in clinical specialties, anesthesia, nurse-midwife practice, or nurse practitioner roles.

Under previous law, advanced-practice nurses were required to practice under a licensed physician.

In some instances, advanced-practice nurses are now allowed to write prescriptions and dispense drugs under the new law.

Rep. Dennis Ozment (R-Rosemount) and Senate Majority Leader Roger Moe (DFL-Erskine) sponsored the measure.

HF718*/SF225/CH172

HIGHER EDUCATION

Higher education finance

An omnibus higher education finance law directs \$2.6 billion to fund the state's higher education institutions for the next two years beginning July 1, 1999.

The law provides funds to expand financial aid programs for students, provide salary increases for faculty at Minnesota colleges, and authorize the creation of a University of Minnesota campus in Rochester.

Rep. Peggy Leppik (R-Golden Valley) and Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored the measure.

HF2380*/SF2235/CH214

U of M and MnSCU spending

The University of Minnesota receives nearly \$1.2 billion from the new law.

Those funds include \$15 million for undergraduate education initiatives. The law authorizes the university to use a portion of that money for a new, non-residential campus in Rochester

About \$10.5 million in increases is divided among technology projects, regional partnerships, an animal health and food safety program, and other programs.

The law provides \$1.1 billion to the 53-campus Minnesota State Colleges and Universities (MnSCU) system.

For various technology projects, the law includes a \$9.2 million increase in funding over two years. And \$11.1 million aims to support job training and research projects.

Those projects include a rural research center at Southwest State University in Marshall and tuition subsidies for farm business management programs at MnSCU institutions. MnSCU also receives \$2.5 million for curricula development.

Financial aid funding

The Higher Education Services Office (HESO), which serves as Minnesota's financial aid bureau, receives \$310.5 million to fund the state grant program, operate library systems, and provide informational services to current and prospective post-secondary students.

Through several different programs, the new law provides about \$28 million in aid to Minnesota's higher education students.

First, the minimum state grant is reduced from \$300 to \$100. That means some students who did not previously qualify for grants might be eligible for the aid. Another \$13.2 million offsets cost-of-living expenses for students.

And the public tuition allowance and private tuition maximum are capped at or near the inflation rate. A tuition maximum or allowance is the state's tool for calculating state grants, and it is a flat rate of tuition based on tuition at public and private colleges all over the state.

Because colleges raise their tuition almost every year, increasing the state's tuition maximum takes the actual increases into account when calculating grant awards. However, capping that cost at inflation does not mean college costs would necessarily rise at the rate of inflation, and proponents say it could encourage institutions to keep their tuition increases at a low level.

Part of the financial aid package is funded with an expected increase in the federal Pell Grant amount per student, which results in about \$10 million in savings from the state grant program.

In Minnesota, the state grant is decreased when the federal grant goes up, so students receive the same amount of money. For the 1999-2000 school year, the Pell Grant will increase to \$3,125 from \$3,000.

The law eliminates two programs that provide grants for nursing students, but it appropriates \$3 million to add more students into work-study programs.

Mayo Medical School

The Mayo Foundation receives \$3.2 million for the biennium, under the omnibus plan. That amount funds an increase in the base budgets for the Mayo Medical School, a family medicine residency program, and a residency program at St. Cloud Hospital.

The increases make more grant dollars available to students attending the medical school and make up for student costs incurred by recent and potential tuition increases.

In addition, the new law increases the state's share of some residency program participants' stipends and maintains the same level of funding for other participants. The programs are designed to encourage students to practice medicine in Minnesota, particularly in rural or under-served geographical areas.

HUMAN SERVICES

Health, human services funding

Several provisions of an omnibus health and human services funding package are effective July 1, 1999.

The measure spends \$6.4 billion over the next biennium on initiatives designed to improve life for many, including the state's children, poor, and seniors.

The measure calls for creating endowments with tobacco settlement money, increasing spending for nursing home and personal-care workers, and significantly boosting funding for programs for the developmentally disabled.

Rep. Kevin Goodno (R-Moorhead) and Sen. Don Samuelson (DFL-Brainerd) sponsored the legislation.

HF2412/SF2225*/CH245

Raises for workers

Seeking to end the days of low pay for the state's nursing home workers and those who provide in-home services to senior citizens and people with disabilities, the new law includes a provision to boost the provider rate for agencies that pay those workers.

Providers will see a 4-percent increase in 2000 and a 3-percent increase the following year. Of that money, 80 percent will have to be used on wage-enhancement packages. The increases total more than \$100 million for the biennium.

Throughout the session, many people told both House and Senate committees that they could earn more working at a fast-food counter than they could caring for the elderly or disabled.

Improving pay is also designed to entice more people into health care to alleviate a statewide shortage of workers.

In 1998, lawmakers passed a measure that provided \$20 million to improve the pay for workers at long-term care facilities, which mainly serve senior citizens and the developmentally disabled.

More labor help

In another move aimed at alleviating the health care worker shortage, the new law creates a health care and human services worker training and retention program, to be run by the Minnesota Job Skills Partnership Program.

The \$1.5 million two-year program aims to assist small nursing homes, rural hospitals, and other entities that cannot develop employee programs on their own. The help comes in the form of grants to locally formed consortiums. The state funding requires a 50-percent match in local money.

The money can be used for marketing and outreach programs to recruit employees, pay salaries during training periods, encourage shared staff, and provide scholarships, basic computer skills, and English as a second language instruction.

Aid to developmentally disabled

Nearly \$6.5 million over the biennium goes to increase the availability of home- and community-based services for people with mental retardation or related conditions.

Throughout the session, lawmakers heard from parents and guardians of developmentally disabled adults who said their resources for providing care were nearly exhausted and their options were few.

The proposed spending allows group homes in the state to serve a total of 100 additional people.

Money also is set aside for semi-independent living services and for family support grants to further assist the developmentally disabled.

Medical Assistance broadened

Minnesota residents on Medical Assistance will be able to receive specialized maintenance therapy provided by physical therapists, occupational therapists, and speech language pathologists, under a new provision.

Those services were not previously included in the list of options available under the program, designed for those who cannot receive or are not eligible for employee-provided health care coverage.

Medical Assistance will also be allowed to cover the cost of anorectics weight loss drugs under very specific instances,

including the treatment of "Pickwickian Syndrome," a condition in which a patient's obesity prevents sufficient oxygen from entering the lungs.

Prompt payment for care

A new law effective July 1, 1999, requires health maintenance organizations (HMOs) and nonprofit health service plans to promptly pay claims for home care services.

Under the measure, a valid claim must be paid within 30 days of receipt by the health plan or interest can be requested by the organization submitting the claim.

Prompt payment language was adopted by the Legislature in 1997 for claims filed on state-operated funding programs, reducing the average wait to 14 days.

In the private sector, home care agencies reported it is not uncommon to wait 60 to 90 days for payment, and sometimes as long as 120 days. That slices into their cash flow and makes it difficult to pay workers on time.

Rep. Kevin Goodno (R-Moorhead) and Sen. Sheila Kiscaden (R-Rochester) sponsored the measure.

HF1658/SF1268*/CH146

TAXES

Law includes tax cuts

A significant cut in income tax a key provision in the new tax law is effective July 1, 1999.

The tax cuts in the proposal total \$1.3 billion for the first year of the biennium and \$1.2 for the second year.

The plan will reduce income tax rates for married couples filing joint returns from 6 to 5.5 percent on the first \$25,200 in taxable net income, from 8 to 7.25 percent for income from \$25,200 to \$100,200, and from 8.5 to 8 percent on all income over \$100,200.

Minnesota taxpayers should notice the reductions after July 1999, when the state is expected to reissue withholding tables. Officials expect the decreases in taxes paid to average about 9 percent.

Rep. Ron Abrams (R-Minnetonka) and Sen. Douglas Johnson (DFL-Tower) sponsored the omnibus tax law.

Sales tax changes

Among the changes are sales-tax exemptions for those filming television commercials in the state, for materials consumed in metal casting production, for purchase of bio-solids processing equipment and materials, and for prizes in games of skill or chance at carnivals and fairs.

The exemption for those filming commercials was requested by Ventura as a way to spur business activity in the state. The tax break will likely cost the state more than \$2 million during the biennium. The break does not extend to machinery and equipment or to fuels used in space heating or lighting.

The sales-tax breaks are effective for purchases beginning July 1, 1999.

Steel plant boost

The new law contains a \$20 million commitment from the state for fiscal year 2000 to a plan for building a cutting-edge steel-making facility near Nashwauk in northern Minnesota.

The funds will be added to \$30 million already committed to the project by the Iron Range Resources and Rehabilitation Board.

TRANSPORTATION

Funds for highways, transit

A \$3.3 billion omnibus transportation law including spending provisions for road construction, transit, public safety, airports, and railroads contains many provisions effective July 1, 1999.

Of the spending total, about \$166 million comes from the state's general fund. The remaining dollars are generated from the constitutionally dedicated funds for state and local highways.

Rep. Carol Molnau (R-Chaska) and Sen. Janet Johnson (DFL-North Branch) sponsored the omnibus legislation.

HF2387*/SF2217/CH238

Highways, runways, waterways

The Minnesota Department of Transportation receives about \$38.7 million for aeronautics projects, such as airport construction and maintenance funds.

Greater Minnesota Transit, a service that aids rural areas in providing bus service, receives \$30.8 million, and \$3.2 million

goes toward railroads and waterways. A sum of \$100,000 helps to fund a railroad corridor improvement plan in southern Minnesota.

The new law provides \$1 billion for state road construction funds. Another \$9.3 million covers pavement striping, traffic safety and freeway operations technology, and other maintenance projects. The law also allocates \$50,000 to purchase equipment for the new 800-megahertz metropolitan radio system.

The legislation allows for one more year the transfer of an extra 0.25 percent of gas tax revenue generated by snowmobiles to be allocated to the snowmobile trails and enforcement account. Because of a trial period under current law, that figure is 1 percent, and was slated to revert to 0.75 in fiscal year 2000. The money is used for upkeep and safety of snowmobile trails.

The transportation department garners a total of about \$3 billion from the bill.

Bus money

The Metropolitan Council receives an increase in state funding to preserve and expand its transit service.

Council officials initially asked lawmakers for a \$14.9 million increase over two years. However, the new law allots an additional \$11.2 million, bringing the state appropriation for Metro Transit the city bus system to \$109.9 million for the biennium.

State Patrol

The Minnesota Department of Public Safety receives \$220.8 million for its transportation-related programs.

About half of the money would go to the Minnesota State Patrol, with nearly \$1.4 million to replace radios in patrol vehicles. The bill would also fund the replacement of a helicopter and provide \$735,000 for the state trooper training academy.

Funding in the amount of \$492,000 supports the protection of elected officials, but those funds are allocated to Capitol Security. Gov. Jesse Ventura had originally asked for funding for additional state troopers to provide executive protection, but the law does not grant his request.

Other changes

The transportation department begins a conversion back to the English system for construction project measurements, under the

new law. The department started converting to the metric system in 1992 in a move to comply with federal intentions to convert. But implementation has been slow, and Congress has made conversion optional for the highway industry. The change back to the English system makes it easier for local governments and private contractors to do business with the state.

Vehicles owned by commercial driving schools are exempt from registration taxes, under the bill. And home schools are allowed to teach driver's education classes.

The new law also repeals a tax credit for disabled license plates, which helps to pay for an initiative to crack down on illegal use of handicapped parking permits.

Bidding for roads

A new law, effective July 1, 1999, raises from \$75,000 to \$150,000 the amount above which the Minnesota Department of Transportation must go through the competitive bidding process for construction projects.

That provision included in a largely technical bill that makes several changes to laws governing the department's is intended to allow officials to act quickly on emergency road repairs by not having to go through the bidding process.

Rep. Tom Workman (R-Chanhassen) and Sen. Carol Flynn (DFL-Mpls) sponsored the legislation.

HF1551/SF1762*/CH230