

# interim

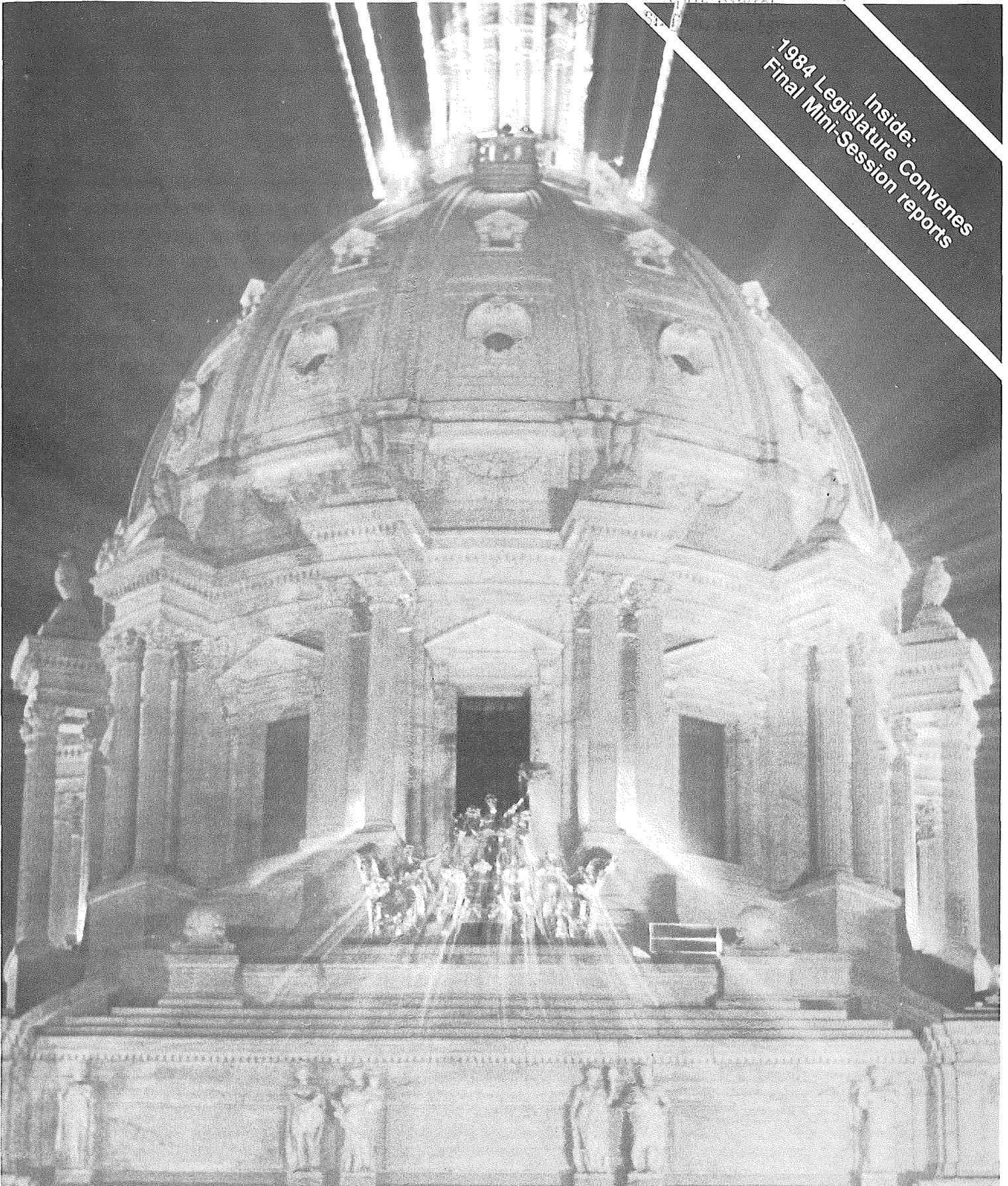
Minnesota House of Representatives

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March 1984

Inside:  
1984 Legislature Convenes  
Final Mini-Session reports





## *Full agenda for '84*

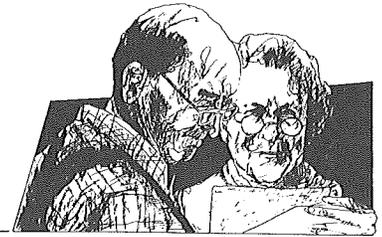
Legislators are back at the Capitol for the 1984 legislative session which Speaker of the House Harry Sieben, Jr. says will be a short one. However, the agenda for the '84 session may not look too different from that of '83.

Unemployment compensation, jobs, aid to small businesses, cities, and other local governments, tourism, education, transportation, agriculture—the social service problems. It's all there, plus the question as to whether Minnesota's Constitution should change to allow a state lottery. In this final issue of *Interim*, you'll find articles about the lottery debate, about historic political memorabilia, about some of the special worries people brought to interim committee hearings—the changes in telephone service that come with the breakup of AT&T, the cost of home heating in an exceptionally cold winter—labor and business views of unemployment compensation laws.

Previous *Interim* magazines covered September, October, and November mini-sessions. That coverage, and this issue's January and February reports, offer an overview of what the daily order of business is likely to be as Capitol halls fill with the sounds of a busy legislative session, 1984.

# interim

Minnesota House of Representatives



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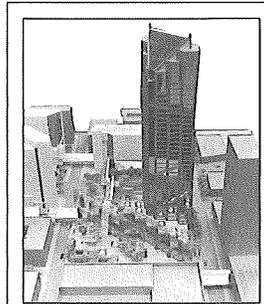
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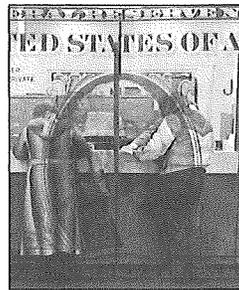
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# *Small Business: the state's “open-the-door” policy*

by Lisa Lissimore

Minnesota's continuing its attempts to open doors for small businesses. New laws, tax breaks, a one-stop-information-shop, pre-export capital, and a new House Small Business subcommittee, are part of those efforts.

The technology transfer credit, equity investment credit, and credit for contributions to a small business assistance office, make up the tax-break package.

“All of the credits encourage small business growth which results in job creation,” said Charles Schaffer, director of the Business Information section of the Department of Energy and Economic Development (DEED).

“The transfer of technology is a spin-off for existing businesses. It encourages large companies to pass ideas or technology on to smaller firms. In return they get a 30 percent tax credit,” Schaffer says.

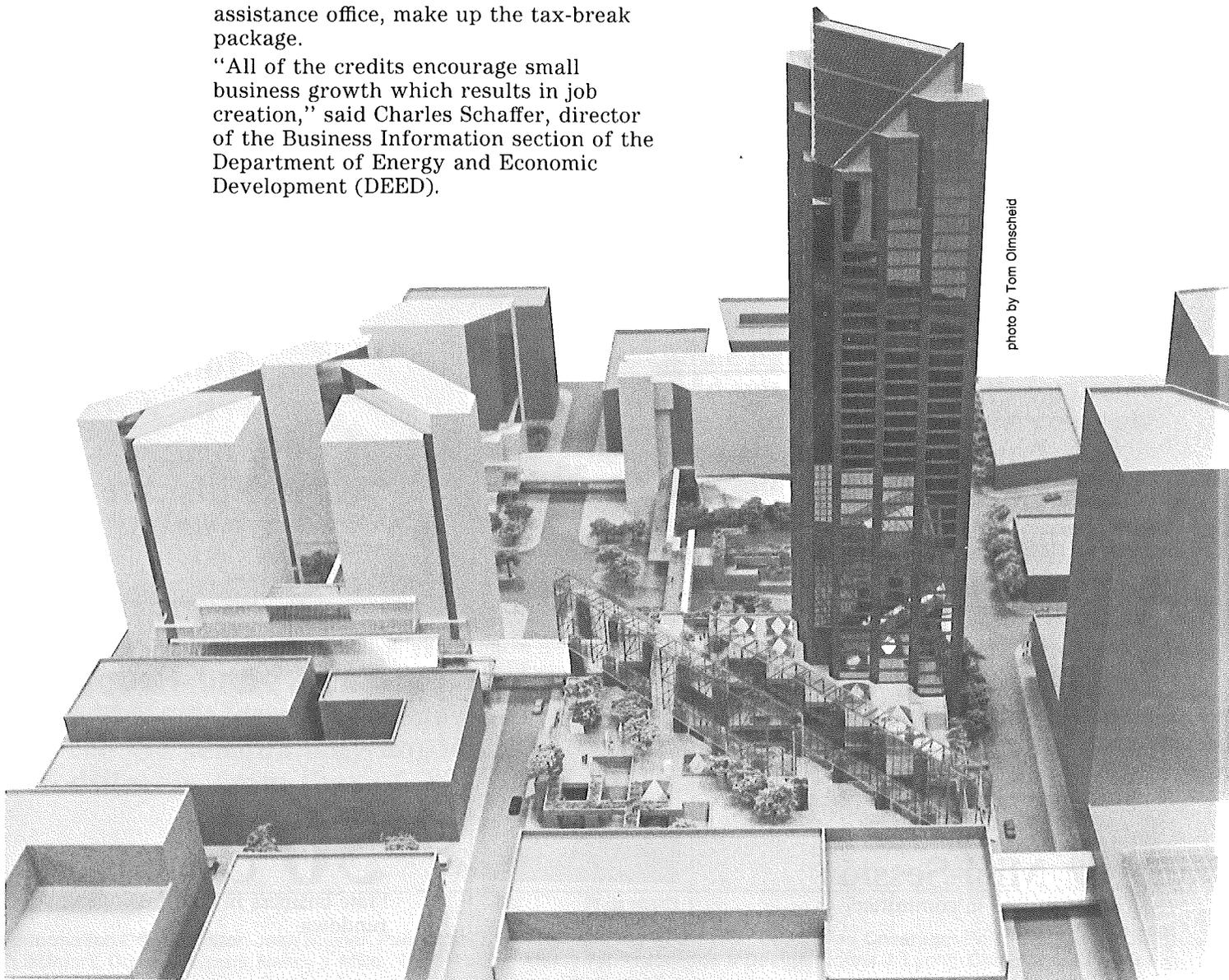


photo by Tom Olmscheid

Judging from inquiries his office receives, Schaffer says, "The equity investment credit will be greatly used. A number of people are putting together projects for investing in small businesses from which they can get a 30 percent credit."

Schaffer questions if the credit for contributions to an assistance center will get the same wide usage. He says, in the 1984 legislative session, there may be amendments to all of the '83 tax credit legislation.

## Enterprise zones

Other tax incentives allow special tax breaks for 10 enterprise zones around the state to encourage investments. These zones are economically distressed sections of cities which will split \$32 million that the Legislature appropriated last session.

Enterprise zones include two kinds of cities, border cities and competitive cities. Border cities are Moorhead, Dilworth, Ortonville, East Grand Forks, and Breckenridge. Competitive zone cities are Mankato, Thief River Falls, Minneapolis, St. Paul, and Mountain Iron and Virginia which have a joint powers agreement. The Attorney General has ruled that Duluth qualifies as a border city zone and the Legislature will make that designation in the 1984 session.

Under the program, designated businesses in these enterprise zones can get a maximum tax credit for new jobs, property tax breaks for new or existing businesses in border city zones, and a sales tax exemption for purchase of new equipment or construction.

"The program is at its very infancy, but provides extraordinary flexibility to local communities," says Harry Rosefelt, director of Economic Development Division of DEED. "If a new development opportunity comes along communities now have enterprise zone credit to aid them."

The 12 eligible cities, according to Rosefelt, are at the point of starting the program and are looking at projects that should get tax-credit awards.

## Aid to entrepreneurs

Small business assistance centers have set their goals to be learning bases with general counseling on all business operations including financing resources, government regulations, and licensings.

The centers serve nearly 6,000 clients per year. Businesses need no special qualifications to use the services at the centers except for the set-aside state procurement program. That program is for small businesses that have 20 or fewer employees, or had \$1 million (maximum) in gross income the preceding fiscal year.

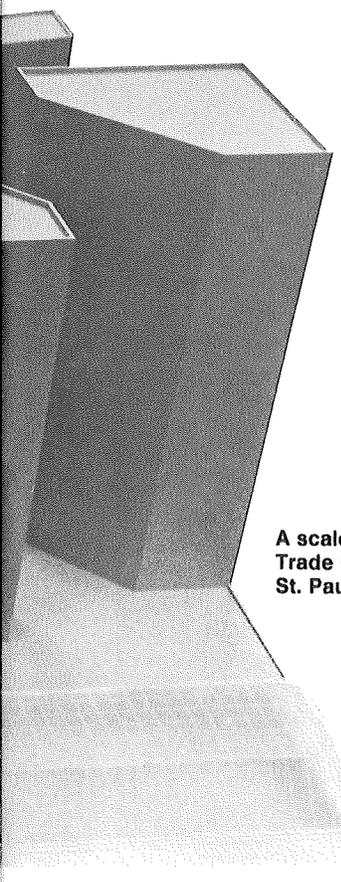
## One-stop shop

New legislation in 1983 merged financially related programs into the Energy and Economic Development Authority (EEDA), a one-stop-information shop.

"If somebody's looking for financing assistance, the authority has those programs under it," says Jean Laubach, former acting deputy commissioner of the Financial Management Division of EEDA. "We're a one-stop-shop for money, advice, and information. We finance energy types of projects, we have a self-insured bond program for economic development, and a guaranteed program—in cooperation with lenders—which guarantees a certain part of a loan for innovative energy products."

Small companies are showing an interest in the energy financing programs, according to Frank Altman, assistant commissioner of the Energy Finance Division of EEDA.

"The basic situation is that all of the new powers the authority was given in the last legislative session have never been tested with respect to their constitutionality. Lending the credit of



A scale-model of the Minnesota World Trade Center that will be in downtown St. Paul, construction to begin in 1984

the state is one issue. And the other issue is whether the purposes spelled out in the law are public purposes. We fully expect to get a court ruling that will confirm that we are not lending the credit of the state and that these purposes are public purposes.

"We've recently put together three pilot programs for business financing, energy development, and energy loan insurance. We have companies participating in each of these programs as part of the test case," Altman says.

The division has on-going programs in process, he says, that would be more than just pilot programs. EEDA expects to be ready to lend out money in June if the court timetable they're on doesn't change.

## Foreign markets

Smaller Minnesota business owners, interested in selling to foreign markets, but who don't know how to go about it, or who can't get financing, may now get information that will help them. And they can apply for loan guarantees under the Minnesota Export Finance Authority (MEFA).

Minnesota is the first state in the nation to have a program that provides pre-export capital to small firms. Through MEFA, the state guarantees up to 90 percent of loans between \$25,000 and \$250,000.

"We've received a lot of inquiries about the program and there looks to be quite a few potential applicants," says Duc Lam, executive director of MEFA, "but we can't actually guarantee any loans until Feb. 22 after the rules for how the agency will operate are re-posted in the state register." He says the state register can't post the rules until Feb. 13, and that they (MEFA) have to legally wait five business days after that before they can take any action.

"If a small or medium-size firm has an export order of products or services that's produced or processed in Minnesota, and they're turned down by a bank, the firm can come to us. We would ask their bank if they would lend them the money, if we guarantee up to 90 percent of the loan. If the lender agrees, we would work with the bank and exporter to make sure the export gets off the ground and the loan is repaid," Lam says.

## The idea is more jobs

"The basic thrust is to create jobs," says Carol Wawrzyniak, from the Minnesota Trade Office. "And, we'll create jobs by getting firms into exporting, into new

markets for their products, and increasing their labor force.

"Our mission at the trade office is to assist those companies to get into exporting by helping them find contacts, taking them on trade missions, helping them with financing through MEFA," she says.

photo by Tom Olmscheid



**Minnesota continues its attempts to open the door to success for small businesses in the state**

"We have a lot of small companies from overseas interested in breaking into the U.S. market and wanting to locate here. This is where the Minnesota World Trade Center ties in," Wawrzyniak says. "It will also be a kind of one-stop-shop for people interested in international trade. They can see what kind of companies and programs we have here for them."

## World center to be in St. Paul

The state World Trade Center Commission has chosen St. Paul as the site for Minnesota's world trade center. Plans are that the center will be a showcase for Minnesota products. Expectations are that it will make the state a major figure in international trade. The center will include an international telecommunications system, an information office and library, Minnesota trade offices, a restaurant, hotel and other business offices.

## Subcommittee focuses on small business

The most recent effort of the Legislature to encourage small business is the newly created Small Business subcommittee of the House Commerce and Economic Development Committee. After hearing, at a national small business conference, some of the issues that concern small firms, Rep. John Sarna (DFL-Mpls) and Rep. Phil Riveness (DFL-Bloomington) said it was clear to them that "we ought to have a subcommittee focusing on small businesses."

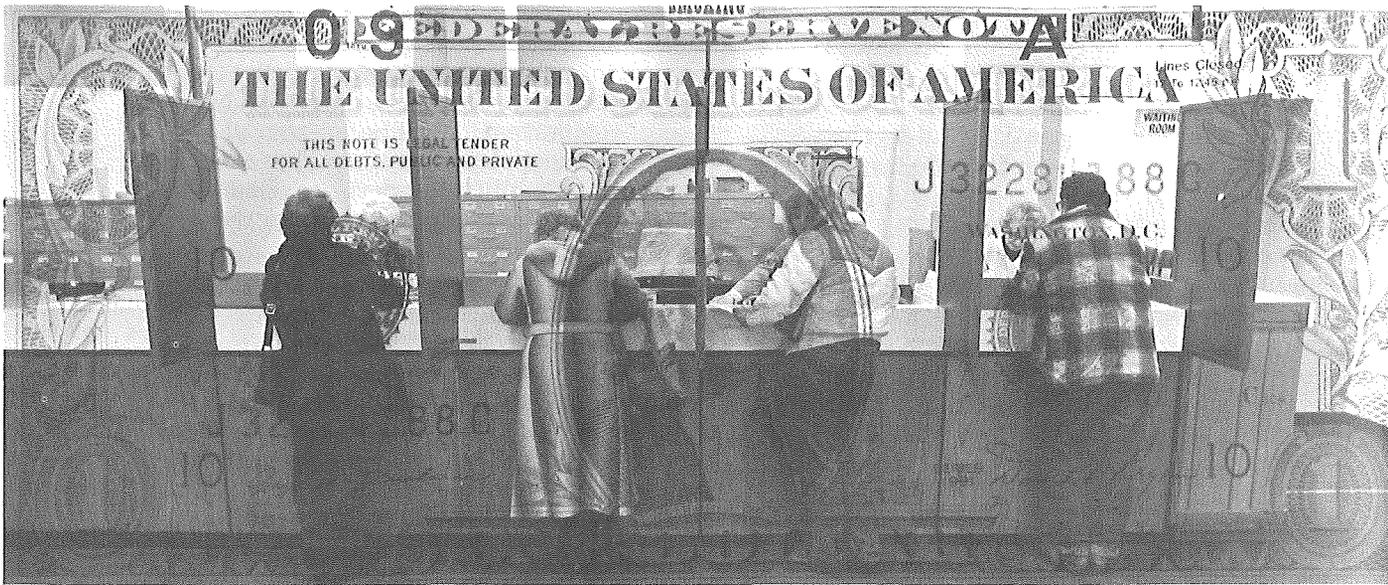
"The goal is to update ourselves on how successful we've been in the state in putting in place assistance for small businesses," says Riveness, chairman of the subcommittee. "We'll be looking at issues such as prompt pay, equal access, regulation flexibility, property taxes and other things we can do to stimulate the development of jobs in the private sector."

"If you really want to build a healthy job climate, we have to recognize that we need small firms to be successful," said committee member, Rep. Jim Heap (IR-Golden Valley). "They provide jobs, new products, and are easily available to the state's larger businesses."

On the drawing board, Heap says, is a plan for a free-trade zone somewhere in the Twin Cities. Heap hopes it will be a future project for the subcommittee.

The subcommittee has already begun some of its work. Presently, the panel's looking at prompt-pay legislation and is meeting with city officials to review existing assistance programs for small business people. So far, stops include Bloomington, a two-day stay in Duluth, and a hearing at the State Office Building in St. Paul.





“Economic insecurity due to unemployment is a serious menace to the health, morals, and welfare of the people of the state. Involuntary unemployment is therefore a subject of general interest and concern which requires appropriate action by the Legislature to prevent its spread and to lighten its burdens. This can be provided by encouraging employers to provide more stable employment and by the systematic accumulation of funds during periods of employment to provide benefits for periods of unemployment, thus maintaining purchasing power and limiting the serious social consequences of poor relief assistance ....”

—Minnesota Statutes 268.03.

# Unemployment Compensation

by Bonnie Kollodge

Fifty years after enactment of its unemployment compensation law, Minnesota has a benefit and tax program that looks like this:

## Benefits

To qualify, an individual must earn \$94 a week for at least 15 weeks of the 52-week period prior to filing a claim for benefits. That's equal to working 28 hours a week at \$3.35 an hour (federal minimum wage).

Eligible applicants for unemployment compensation benefits must be: able to work, available to work, and actively seeking work. Persons who voluntarily leave their places of employment, or whose place of employment discharges them for misconduct, are disqualified from eligibility. They can appeal disqualification if separation from work is because of sexual harassment or discrimination.

Those who work the minimum of 15 weeks are eligible for 11 weeks of benefits, and those who work at least 37 weeks can get benefits for the maximum time period of 26 weeks.

Minnesota's weekly unemployment insurance benefit amount is about 50 percent of an individual's average weekly wage, ranging from \$51 to a maximum of \$191.

That \$191 maximum will increase to \$198 July 1, 1984 and expire July 1, 1985. Without further legislative action, the maximum weekly benefit will revert back to the 66 2/3 percent of the average weekly benefit formula, and result in maximum benefit payment increases to between \$234 and \$252, depending on inflation rates.

## Taxes

Minnesota employers pay taxes proportional to the unemployment benefit claims against them.

For employers who pay the minimum unemployment insurance tax rate because they have few or no layoffs, and few or no charges for payment against their accounts (no experience rating), the tax rate is one percent on wages up to \$8000 for each employee.

For employers who have greater numbers of unemployment benefits to pay, and have established an experience rating, the tax rate varies from 1 percent to 7.5 percent on wages up to \$9800 for each employee.

## Minnesota's in debt

At a Jan. 10 meeting of the House Governmental Operations Committee, lawmakers heard that the incoming isn't meeting the outgoing.

Minnesota reached a loan level high last winter and spring of \$425 million, according to Commissioner of Economic Security Barbara Beerhalter who testified at the meeting. It's now at about \$352 million, but Beerhalter expects state borrowing from the federal government for unemployment compensation to reach \$425 million again and fall to about \$265 million by the year's end.

"One of the problems we have," said Beerhalter, "is that over the long run our program hasn't raised as much in taxes as it has paid out in benefits."

Issues for '84, according to Beerhalter "will be how to deal with the state debt and interest payments, funding the ongoing program, and building a reserve to avoid substantial borrowing in the future."

## How did we get there?

Prior to 1981, Minnesota occasionally borrowed funds from the federal government to pay unemployment benefits during hard times and repaid them once the economy recovered. In the mid-1970 recession, Minnesota borrowed \$172 million, and paid it back during the good years of 1978 and 1979.

When the federal government tightened up the money supply in the early 1980s, Minnesota ran into more serious economic troubles. Scarce money, high interest rates, an increased dollar value, and more competitive foreign markets all added to less production, fewer jobs, and more unemployment compensation claims.

Minnesota hasn't been able to shake its unemployment compensation debt since. It has grown at record rates with little chance of repayment in the near future.

## How do we pay off the debt?

To step up repayment efforts, employers since 1983 have paid a 10 percent surtax to pay back interest payments the federal government began charging on unemployment compensation loans after April 1982. Employers also pay increases in federal taxes to repay loans, which go up on a yearly basis until the state

repays its loans. Currently employers pay those taxes at an across-the-board rate of .8 percent of payroll, payable in 1985, on top of the standard rate of .8 percent.

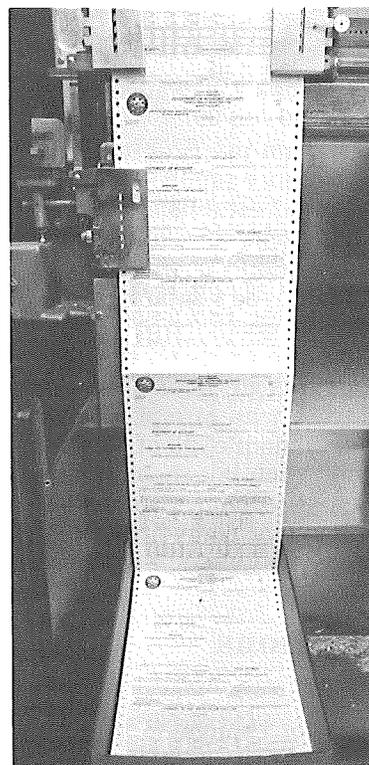
The Department of Economic Security estimates, if the state doesn't take further legislative action, it won't be able to pay off its unemployment compensation debt until between 1986 and 1990, by which time the federal government will have redeemed the loan through the increased taxes.

"The federal government is going to get its money," says Eugene Sampson from the Department, "but that repayment structure cost Minnesota employers \$23.6 million last year, and will cost \$46 million to \$50 million this year if the Legislature makes no changes."

## Back to the issues: benefits and taxes

Taxes and benefits are the issues as business and labor confront each other on unemployment compensation. "How high should taxes be?" "Who should pay them?" and "What should benefits be?" "Who should get them?" "For how long?"

The Legislature could make changes in both areas, says Sampson. "The federal government changed the rules of the game when it started charging interest. Running a deficit now has far greater consequences than it has had in the past, so we'll have to change our approach to financing unemployment compensation insurance, and determine at what level we want to finance benefits."



Unemployment compensation checks roll off the press

photo by Tom Omscheid

## Retailers' view

"The issue is two-fold," says John Van Doorn, president of the Minnesota Retail Merchants Association which represents over 1000 retailers, "One is an equity question over who in the business community is paying their fair share in taxes.

"Certain industries such as construction and mining take out far more benefits than they contribute in taxes, and other industries, such as retail and service, contribute far more in taxes than they'll ever take out in benefits."

A more equitable system would require going to the more experience-rated system that Van Doorn supports so that users pay more. "And," Van Doorn says, "on the other side of the equation, we do want to see some reductions in benefits."

## Business and commerce's view

"Our solution is to restore the system to its original purpose," said Francis Fitzgerald, director, labor-management relations for Minnesota Association of Commerce and Industry (MACI), "which is to provide good benefits for those who are unexpectedly unemployed, through no fault of their own, who can't find work, and stop benefit payments to the rest.

"Businesses," said Fitzgerald, "are willing to pay their fair share to try and get the loans repaid and the system out of the red but will hold fast to certain benefit provisions before accepting any tax provisions."

## Recommendations on taxes

Some recommendations for change on the tax side include:

- Allow the maximum tax rate to go up so businesses with more layoff experience pay more. This would establish additional experience-rating levels.
- Freeze or put a cap on the wage base—that part of an employee's salary the employer pays taxes on.
- Modify or eliminate limits on the amount that tax rates go up or down.
- Require employers who hire people who aren't eligible for unemployment compensation, and then lay them off for reasons which qualify them, responsible for their unemployment compensation rather than the general unemployment insurance fund.

## Recommendations on benefits

Recommendations for change on the benefit side include:

- Increase to 20 or more the number of weeks a person has to work before becoming eligible.
- Freeze the maximum weekly benefit amount at \$191, or at a higher figure which is less than the 66 2/3 formula amount.
- Eliminate the waiting week provision which allows unemployed persons to collect benefits for their first week of unemployment after they've gone back to work.
- Raise the number of weeks one must work to requalify from 4 to 8.

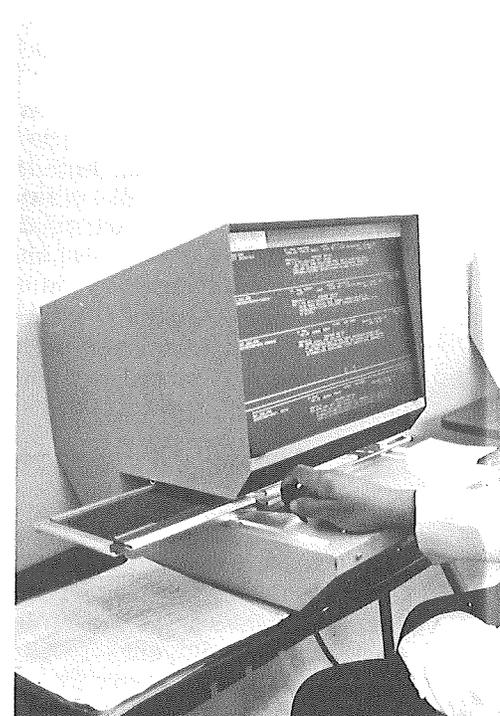
Fitzgerald also proposes paying benefits to seasonal workers only during designated seasons of operation and adopting a strong definition of "suitable work" that an individual would have to take or risk losing benefits.

## Labor's viewpoint

"Business," said Dan Gustafson, secretary-treasurer for the AFL-CIO, "is interested in tightening the system so that more and more people don't qualify to get unemployment benefits. That's their idea of saving money, not mine."

"They're not out there saying we want to cut the benefits people get, they just want to eliminate people from getting any benefits," said Gustafson.

Gustafson said his organization won't budge on benefits. "We're not going to agree to benefit changes at a time when people need this coverage more than they've ever needed it before. Besides, business can't tell me they're paying all these taxes when they put all that onto the backs of the consumer anyway."



## On the tax side

On the tax side Gustafson says, "Raise them, and change the tax distribution...to get at industries that aren't paying their fair share."

Gustafson said he doesn't buy a more experience-rated system, because he says that would hit harder on the skilled worker and the skilled worker's employer, who is usually unionized. Instead, he would go after the larger, wealthier companies.

"There are a lot of buyback features currently in the system (voluntary contributions a company makes to repay benefits charged to its account) that allow some very wealthy companies to buy back benefits paid out (to maintain their minimum tax status) and save themselves a lot in taxes. The average small guy can't do that, so we think that buyback provisions should be modified or eliminated.

"Big employers which have government contracts, for example, no competition, a lot of employees, and little unemployment, enjoy a rating at 1 percent.

"Any time someone files, they can pay back that claim and keep their 1 percent. Now that's the kind of thing I'm getting at."

Gustafson said he would also like to see changes regarding the limit on the amount that employer unemployment taxes can go up or down (which is based on experience rating).

Currently, a small employer's rates may not increase more than 1.5 percent per year, and the law limits other employers' increases or decreases to 2.5 percent per year.

"The law doesn't allow that increase or decrease to happen fast enough," said Gustafson, "to reflect what changes are happening in benefit charges and trust fund levels."

## Construction industry

Matt Winkel, executive director of the Regional Congress of Construction Employers, says his organization is open to looking at some changes on the benefit side but would oppose a more experience-rated system.

"At the same time the Legislature looks at a more experience-rated system, we want them to look at a less experience-rated system, or a flat-tax system," says Winkel.

"It's poor public policy," says Winkel, "to penalize industries, like construction, with high taxes. We have high employment followed by high unemployment. That's not our doing, nor our fault.

"The industry always has had, and always will have, high unemployment. That's partly because of severe winters but, mostly, because of the nature of construction. We can't stockpile buildings, or put them in warehouses, and, we build as people ask us to.

"The higher our taxes," says Winkel, "the harder it is to stay in business."

## Council looks for solutions

The Department of Economic Security Advisory Council, a panel of business and labor representatives, has met many times in an effort to find a solution to the deficit problem. Rep. Phil Riveness (DFL-Bloomington), sponsor of last year's unemployment compensation changes, expects to bring the council's recommendations before the House Governmental Operations Committee once session begins, March 6.

photo by Tom Olmscheid



Two persons look through computerized job listings for State of Minnesota in the Department of Employee Relations, Space Center Building.

# Lottery: Should Minnesota have one?

by Nancy J. Miller

*Constitution  
of the  
State of Minnesota*

*Preamble*

*We the people of the State of Minnesota, religiously, liberally, and peaceably, do hereby constitute and ordain these articles of Constitution, to be the fundamental law of the State, and to remain inviolable, except by amendment, and subject to the revision of the people.*



photo by Paul Battaglia courtesy of the Minnesota Historical Society

Samples of lottery tickets overlay original copy of Minnesota's Constitution

Stuart and Lillian Kelly are millionaires—13 times over. The Canadian truck driver and laundry worker are taking a vacation and building a new dream house. Lillian just quit her job, and Stuart is taking an early retirement.

Jan. 14 Stuart and Lillian won the largest lottery prize anyone has ever won in North America: \$13,890,588.80, or about \$11 million in U.S. currency.

If a bill the Minnesota Legislature's considering becomes law, and voters turn out at the polls in support of repealing the Minnesota Constitution's prohibition on lotteries, some Minnesota bettors may get a chance to try their luck as the Kellys did.

## Early history

While the legislative proposal for legal lotteries may be new to Minnesota, lotteries in many forms have been around at least as far back as the Roman Empire, according to House Research Analyst John Williams. Williams gave Gaming Division members an overview on lotteries Jan. 11.

In 1612, Williams said, the Virginia Company financed the first Jamestown settlement in the United States through a lottery, and the Continental Congress used lottery money to help finance the Revolutionary War.

Lotteries flourished in the United States until corruption and legal problems brought the last of them down by the turn of the century. In the early 60s, however, lotteries surfaced again when New Hampshire enacted a state sweepstakes as an alternative to state sales or income tax.

## States show lottery trend

Lotteries moved from the eastern states, to the South, and finally the West. By 1982, gross lottery sales for all states exceeded \$4 billion, and net revenues were \$1.6 billion.

To date, 16 states and the District of Columbia have joined New Hampshire in the lottery game, with Colorado the last to join in 1983. Sixteen other states, including Minnesota, Iowa, and Wisconsin, have pending lottery legislation.

## Lottery games vary

Not all lottery winnings are in the millions like the Kelly's. Lottery jackpots vary just as lottery games do. Generally, they've evolved into five types, or "generations". And, they've gone hi-tech.

- First generation games are the oldest and involve the player the least. Ticket

holders simply buy tickets and later find out if they hold a winning ticket.

- Second generation games, or instant games, require the ticket holder to rub off or remove a film on the lottery card to instantly reveal if the card's a winner.

- Third generation games are the "on-line" games. They involve a central computer with terminals in distribution points such as grocery and drug stores. Ticket holders pick their own numbers, lottery agents send the numbers to the main computer, the computer registers them and prints out a receipt ticket. Lotto games, like the one the Kelly's won, usually operate on-line.

- Fourth generation games operate through video terminals and are games of the future. No state is currently using them for legal lotteries. Game players would operate the machines with coins, similar to gambling casino videos, and redeem their prizes in coins or tickets that lottery officials would pay out.

- Fifth generation games, still in the experimental phase, may involve video betting and players may some day be able to place bets without leaving their homes.

## Prize winnings may vary

"Ticket sales really go up with the big-buck jackpots," said General Legislation Committee Administrator Michael Kuehn. While prize amounts such as the Kellys won in the Canadian National Lottery are rare, they aren't a surprise when many provinces or territories participate. And, the longer the jackpot goes unclaimed, the higher it climbs, taking interest and participation with it.

On a state level, the probability of such a huge jackpot is small. Jackpot size depends on number of players, player interest, length of time before a player wins, and type of game. But some games with long-shot odds pay larger prizes, too.

## State revenue's the issue

While bettors may take a chance on prize earnings, if Minnesota adopts a well-run lottery, the state's got a sure bet on added revenue. The question facing lawmakers, voters, and the experts is how much money can Minnesota expect to earn from a state-run lottery?

Around \$78 million per year Williams told division members, but he added, no figure is absolutely reliable. According to Williams, a combination of a state's overall population, average personal income, and number of persons living in urban areas where betting is higher often determines lottery revenues.

But populations and per capita income figures don't always determine lottery success.

### Experience of other states

"The most striking example of how non-statistical factors can determine the success or failure of a lottery is found in the history of the Delaware lottery," Williams said. "In 1971, the original lottery operated for five weeks and was a total failure. It was the only state lottery to have ever lost money. But after reorganization, it came back, in 1976, and is generally considered successful."

If Minnesota's lottery did as poorly as the least successful state's, currently Vermont, the revenues would be around \$13.8 per year. But if the lottery was as successful as Maryland's, estimates are that the state would gain \$169 million in revenue, said Williams.

"The lottery trail is littered with the bleached bones of lottery administrators who made overly optimistic revenue projections based solely on statistical factors and the experiences of other states," Williams warned.

The Legislature can do what it can to make success possible but cannot guarantee it, said Williams.

### The debate begins

"There is no redeeming social value in a lottery at all," says Rep. James Rice (DFL-Mpls), opponent of legalized gambling and pari-mutuel betting. "It's a terrible way to let people think they might have some expectation of getting something for nothing."

"There's no product except greed that's connected to the whole lottery operation," says Rice. He fears organized crime, rigged games, compulsive gambling, and victimization of the poor will follow lotteries.

"The responsible police forces in this country say lotteries actually increase criminal activity and raise social service costs," says Rice, quoting the Organized Crime Strike Force report from the Colorado Attorney General's Office.

"The availability of instant games and daily payoffs—the whole thing goes (to gambling). Those pull-tab games can be rigged, and the payoffs (for illegal games) can be better. If I had a chance of putting down a dollar in a legal game or \$600 in an illegal game, I can tell you which one I'd pick. Compulsion brings with it drug traffic, prostitution, robberies, all in the name of the state and of some good."

Rice says studies show the highest amount of betting is in the poorest areas

of cities, and that lotteries "prey upon the desperate plight of the poor." Although the state would realize some revenue from lottery ticket sales, those dollars would be better spent buying goods and services, thereby promoting employment, and eventually returning to the state through sales and income taxes, says Rice.

"Look at the money withdrawn from our economy. That money is cutting into people's discretionary income. That money for lotteries would be spent in the economy. You can't say it's all new money."

He says it's up to the Legislature to put only worthwhile questions before the people, and that the question of letting the voters decide on lotteries is only a cowardly argument. Fundamentally, Rice says a state-run lottery would only legitimize gambling, make gamblers out of non-gamblers, and eventually create more problems.

### Polls favor lotteries

Rep. Tom Osthoff (DFL-St. Paul), author of the lottery bill, disagrees.

photo by Paul Battaglia



Rep. James Rice (DFL-Mpls) opposes a lottery for Minnesota

"What you have is a basic concept of government here. The polls show 70 percent of the people saying 'I want to play the lottery.' Do you let the majority have their lottery or do you let the 30 percent or so that are adamantly opposed to the lottery decide for the majority what's right for everybody?"

"The lottery would generate \$50-\$80 million dollars a year for Minnesota. It's a voluntary tax collection, and it will enhance Minnesota through tourism and jobs," says Osthoff. "And personally, if we're going to have illegal football or jackpot tickets, or poorly regulated bingo, I would rather have a state-run lottery that is clean, legal, and have the state derive some profit from it."

"Lotteries are administered, by and large, under better conditions than the CIA operates. You have less chance for shenanigans because the drawings are done on TV, out in the open, where the public can see it."

photo by Paul Battaglia



Rep. Tom Osthoff (DFL-St. Paul), author of HF158, the bill that would put the lottery question on the ballot in the November general elections

## Most state lotteries tamper-proof

According to Osthoff, most state-operated lotteries are tamper-proof and heavily regulated. He knows of only one incident, in Pennsylvania, where authorities discovered tampering but corrected the situation before they distributed large, illegal winnings.

About compulsive gambling, Osthoff doubts lottery tickets give compulsive gamblers enough of a thrill compared to other games because gamblers would have to buy great numbers of tickets. And the process is tedious rather than exciting.

Osthoff also says the belief that lotteries are regressive and hurt the poor is one of many myths surrounding lotteries.

"There's some legitimate concern about the potential impact of lotteries on poor people, but I haven't found any statistics that indicate that's the case."

"Proportional to their income, a poor person spends more on a lottery ticket by income than a rich person, as they do for food, clothing, shelter, or any other expense. That's just a statistical norm. But if you look at the distribution of the population, lower and middle income people buy fewer state lottery tickets than their representation in the entire population indicates," says Osthoff.

## People will have to decide

Both Rice and Osthoff predict strong debates from both sides in committees and the House floor this upcoming session. Both say they're doing their homework and preparing arguments.

"I can't tell people what's good for them. The people will decide if they want lotteries. That's the people's decision to make—hopefully through a constitutional amendment next November," says Osthoff.

January



# Interim committees

hall at the same time as the music building would mean a cost savings of 10 percent to 15 percent.

## Other meetings

Jan. 7, 11, and 12 Education Division of Appropriations toured campuses in Rochester, Mankato, Winona, Mpls., Duluth, and Brooklyn Park to review capital budget requests.

Jan. 21 Education Division met in Ely to discuss hazardous chemical storage, emergency lighting, a physical education facility, and repair and betterment items. In Duluth the Division toured the AVTI, the U of M Duluth campus and the Natural Resource Institute.

**H**ouse Health, Welfare, and Corrections Division of the Appropriations Committee, Jan. 10, heard Welfare Commissioner Leonard Levine's overview of a regional organization plan for state hospitals, which the Department has since dropped.

## Employment Allowance Program

Also on the Jan. 10 agenda was the state Employment Allowance Program. More people are applying to the Employment Allowance Program than the state expected, said Bill Brown, deputy commissioner for the Department of Economic Security. The program has a \$19 million appropriation that was to cover a nine-month period, but Brown says the money may not last that long.

Through Dec. 31, 1983, the program paid out \$5.9 million, nearly double the initially forecasted activity, he said.

Under the program, if a person can't find a job after 90 days, s/he goes back to the General Assistance program, which then picks up the payments. This takes some of the burden off the Employment Allowance budget. However, it is too soon to tell what the impact of bringing people back to General Assistance will be, Brown says.



## Appropriations

**“T**o build a school of music without a concert hall is like building a chemistry building without laboratories,” said Lloyd Ulton, director of the University of Minnesota School of Music at a joint meeting of the House Education Division of Appropriations and Senate Education subcommittee of Finance on Jan. 10. Purpose was to update legislators on University construction plans.

### Building allocation is \$16.5 million

In 1983, the Legislature allocated \$16.5 million for a new U of M music building. However, the awarded bid is \$4.5 million under the architect's estimated \$11.8 million. Ulton and other

University representatives want to use the excess amount for a concert hall and music library.

“A music library collection is rather unique,” said Ulton. “It depends more on scores and recordings not found in a normal library collection.” Ulton said, if the music library stays where it is now, in Walter Library on the East Bank, and the new music building goes in near Wilson Library on the West Bank, “The distance will place a significant burden on students and faculty.”

### University looking at \$500,000 added cost

About the concert hall, Ulton said students and faculty give between 100 and 200 concerts per year. “It is typical for students to rent concert halls to give their recitals, sometimes in facilities that are clearly not intended for music,” he said.

Projected cost of the 950-seat concert hall and library is \$500,000 more than the \$4.5 million. So, Ulton said, the University would have to raise some funds. The architect says building the library and concert

## State hospital collections

The division heard, too, a report from Mel Harris of the Department of Public Welfare (DPW) about the projected collection of \$137 million from state hospitals. Harris said that collections will probably meet the \$137 million, but closing of a state hospital or changes in levels of care may affect this goal.

## DPW nursing home reform

"Administrative cost limits for nursing homes imposed by the Legislature last session by Rule 50 of the Nursing Home Rate Reform Bill appear reasonable," Maria Gomez of DPW told division members at a Jan. 12 meeting.

DPW found for-profit nursing homes lost an average of \$.90 per day. While some experienced no losses, most nursing homes, profit and non-profit, came out with an average of \$.26 less per day.

DPW is now processing, computing, and analyzing the effects of the cost limits on multi-level nursing homes and will report back to the division.

The Minnesota Association of Homes for the Aging (MAHA) reported preliminary results of their nursing home reimbursement survey. The survey showed a 33 percent decrease in nursing hours since Rule 50 went into effect, or 12 minutes less a day for every nursing home resident.

MAHA is continuing its study of effects of Rule 50 and will submit a complete report at a later date.

## Monitoring nursing home care

The division also heard a report on 14 new positions the Legislature authorized in 1983 for the surveillance and utilization of nursing home care. The Department has filled nine of the positions it needs for major staff efforts to develop and begin a new case activity recovery and recording system, according to Tom Gaylord, assistant health care program coordinator.

"The current system of monitoring nursing home care was fragmented and changed on an annual basis. The new system will allow us to report consistently reliable data," said Gaylord.

photo by Paul Battaglia



Rep. Dave Bishop (IR-Rochester), at left, and Rep. Tony Bennett (IR-Shorview) talk over proposed changes to the "Buy Minnesota Law" at Commerce Committee meeting, Jan. 12.



## Commerce/Economic Development

**A**fter hours of debate in earlier mini-session hearings, the House Commerce and Economic Development Committee on Jan. 12, looked at possible changes in the state's "Buy Minnesota" law.

Present law requires state agencies to give preference to Minnesota businesses in awarding state construction or purchasing contracts that don't require bids. When competitive bidding takes place, the law says the contract must go to the lowest resident bidder unless an out-of-state company underbids the resident company by more than 10 percent.

## New law would exclude municipalities

The amended version of the law, now in the committee, according to its author, Rep. Patrick Beard (DFL-Cottage Grove), would remove municipalities from requirements; lower preference on resident bids from 10 percent to 5 percent and reduce preference on Minnesota products; eliminate the requirement that contracts for architectural services go to state residents and take out the law's reference to "manufactured in the United States."

Changes would also broaden the definition of "resident" bidder, Beard says, to include any person or business, with authorization to do business in the state with bona fide business establishments.

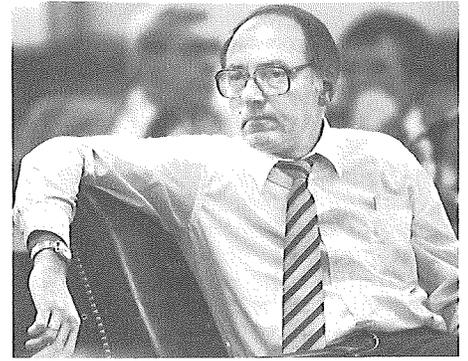
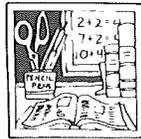


photo by Tom Oimscheid



## Education

**L**and and the federal government gave Minnesota over 100 years ago may boost Minnesota's schools financially if a bill Education Committee members heard Jan. 11 becomes law.

HF1291 (McEachern, DFL-St. Michael) would give voters a chance to remove the constitutional investment restrictions on over 2.5 million acres of land across the state that yields income for public schools through the Permanent School Fund.

If current restrictions were not so tight on how the State Board of Investment can invest money from mining royalties, timber sales, occupation tax, and leasing and selling the land, investments would bring in more money, said people who testified for the bill.

### Changes require constitutional amendment

To change the investment restrictions, voters must change language in the constitution that limits investment. Supporters of HF1291 want the public to vote to amend the state constitution, in the next general election, to make the needed changes. HF1291 would put the question on the ballot in November of 1984 and would outline new investment requirements that aim at bringing in more revenue. According to Howard Bicker, executive director of the State Investment Board, over the past 10 years, school districts could have realized earnings of over \$28.5 million if proposed changes had been in place.

### Some contractors fear contract losses

"Even with these changes, state contractors are still in jeopardy of losing contracts with other states," says Doug Franzen, a lobbyist for Associated General Contractors, (AGC).

"We approve of the amendments here, but the law is bad. It simply builds a fence around the state keeping contractors locked in," Franzen says.

The committee is expected to send a new version of the Buy Minnesota law to the House floor in March.

### Subcommittee action:

Jan. 10, (State Office Building), Jan. 30, (Bloomington City Hall), Jan. 31, (St. Louis County Board Room), and Feb. 1, (Duluth Business Technology Center): The Small Business subcommittee met to hear a presentation from Charles Schaffer, director, of the Business Information Section of the Department of Energy and Economic Development. Reviewed HF1373 (Ogren, DFL-Aitkin) prompt payment bill.

### Change should increase rate of return

"The bottom line is that we'd be availing the fund's resources to broader investment options to increase the rate of return but still minimize the risk for losses," said John Asmussen from the Legislative Audit Commission. The Board would make investments similar to state employee retirement account investments, that include a mixture of corporate bonds, common stocks, and government securities. The committee recommended HF1291 to pass as amended.

### High School League and Department of Education

Murrae Freng, executive director of the State High School League, gave an update on League activities. Department of Education staff presented a report on the curriculum requirement changes for secondary and elementary students the State Board of Education passed at its December 1983 meeting. According to the Department, the plans will now go into the rule-making process with a schedule of public hearings in May, 1984.

**T**he Education Finance Division met Jan. 9 to review the financial status of school districts as of June 30, 1983.

Stan Tikkanen, from the Department of Education, reported that 51 percent of Minnesota's school districts were operating in the red in the 1982-83 school year. And 28 of the 437 districts exceeded the 5 percent operating fund deficit limitation that school year.

"We're seeing a slow erosion of financial conditions of the 437 school districts," said Tikkanen. School borrowing to meet cash flow needs increased dramatically,

from \$89 million, in June, 1982, to \$248 million one year later.

### Some schools improve

While about half the schools show a decline in funds, the other half are improving, according to the Department report. Two-hundred and ten districts increased their fund balances by \$36.8 million, while balances in 227 districts declined \$48.6 million. The report cites a three-year decline of 2.5 percent in all districts' general operating fund totals.

Although tough budget decisions in 1981-82 sessions are partly to blame for the figures, two changes the Legislature made last biennium did account for the fact that deficit amounts in the districts' combined general operating fund balance were lower by some \$44 million.

The Education Department reported, too, on intermediate school districts' financial conditions and conflicts with federal policies over handling student and parent grievances about special education services.

### Feds question commissioner's role

Federal education officials question whether a conflict of interest exists with the state's commissioner of education serving as a hearing examiner in disputed special education cases. This federal concern may change the hearing process to include a panel of impartial persons, involve another state agency besides education, or revamp the appeals procedure.

The division recommended that HF1393, the proposed 1984 school aids bill, include needed technical changes in the 1983 law.

**M**embers of the Education Finance Division met Jan. 31 to discuss a proposal making revenue currently available to intermediate school districts for secondary and special education programs, available on a statewide basis for all districts.

Curman Gaines and Tom Melcher, from the Education Department, reviewed a study on ways to finance such cooperative efforts across the state. They recommend either a per-pupil allotment or an excise revenue approach.

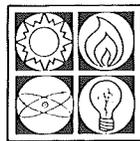
Directors and superintendents of intermediate and cooperative

school districts gave division members an overview of their programs' successes and failures. Several persons already involved in inter-district cooperative plans pointed out the success of new two-way interactive cable TV systems. They say such programs are an innovative way to supplement cooperating school districts' course offerings in academic, special education, and vocational fields.

The division met weekly until the legislative session began.

### Subcommittee action:

**Jan. 11: Teaching and Learning subcommittee continued hearings on the Planning, Evaluation, and Reporting (PER) program and discussed preliminary proposals for program changes.**



## Energy



**Rep. Randy Staten (DFL-Mpls), chairman, Energy and Society subcommittee**

### Subcommittee action:

**Jan. 9: The Housing subcommittee heard testimony on Chapter 206 (MN laws 1983) relating to safety disclosure reports for manufactured housing.**

**Jan. 11: The Energy and Society subcommittee met to hear a report from the Governor's Task Force on Utility Shut-Offs.**



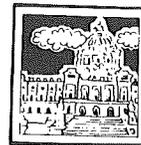
## Environment & Natural Resources

### Subcommittee action:

**Jan. 10: The Environment subcommittee met to consider HF1030/SF1114\* (Knuth, DFL-New Brighton), a bill relating to park boundary adjustments. The subcommittee recommended the amended bill to pass. The subcommittee also began discussion on HF1361 (Nelson, D., DFL-Champlin) on landfill abatement, which would impose a surcharge on landfill wastes.**

**Jan. 11: The Game and Fish subcommittee met to discuss HF1143/SF1048\* (Battaglia, DFL-Two Harbors), a bill relating to the transportation of wild animals. The subcommittee amended the bill, and recommended its passage to the full Environment Committee.**

**Jan. 12: The Environment subcommittee continued hearings on HF1361 (Nelson, D., DFL-Champlin) relating to landfill abatement. The subcommittee amended the legislation, which will be up for final subcommittee action during the February mini-session.**



## Governmental Operations

**U**nemployment compensation was the issue before the Governmental Operations Committee in a Jan. 10 meeting. (See story on unemployment compensation p. 8.)

**T**aking further testimony on the Administrative Procedures Act (APA), which outlines procedures state agencies must follow in establishing agency rules that have the force and effect of laws the Legislature passes, the House Governmental Operations Committee, on Jan. 11, heard from people who work under APA guidelines and others concerned about them.

Under the APA procedure for controversial rules, when an agency proposes a new rule or changes to an existing rule, it must give public notice and submit a "statement of need and reasonableness," stating why the rule is necessary and how it will take care of a need or solve a problem. After 30 days a hearing examiner from the Office of Administrative Hearings can conduct a public hearing on the proposed rule, can recommend changes to the proposal, and determine whether the agency has met procedural requirements.

If the agency follows recommendations of the hearing examiner, it may adopt the rule upon attorney general review, and upon filing it with the secretary of state. If the agency doesn't follow the recommendations, it often must take the rule up with the Legislative Commission to Review Administrative Rules.

### Proposals for change

Some proposals for change would speed up and cut down on the expense of that process. Others would keep the system as is to be sure the public has a chance to participate.

### County fair racing may follow choice of metro site

Eliot and the commission hope to choose a metro-area track site by the end of April. They estimate 14 months for construction before the track would be ready. Applicants for racing sites originally had until Jan. 15 to apply, but the commission extended the period 45 days. To be sure of a successful operation, Eliot said, the commission will be looking more at the financial stability of applicants rather than proposed locations.

Lawmakers asked about getting county fair racing underway, and Eliot said the fairs may run into financial roadblocks because of the high cost of making sure fair facilities guarantee the security and integrity of racing as the law requires. But once the commission's made final decisions on the metro-track issues, it will focus on out-state racing, said Eliot.

**T**he Gaming Division met to hear an informational presentation from House Research on HF158 (Osthoff, DFL-St. Paul), a bill allowing a Constitutional amendment to repeal the mandate prohibiting lotteries. (See story on lotteries p. 12.)



## General Legislation & Veterans Affairs

**“W**e're right on track,” Minnesota's Racing Commissioner Ray Eliot told General Legislation and Veterans Affairs Committee members Jan. 12. “We suffered a minor setback a few weeks ago with a challenge to our rules from a potential applicant, but the hearing examiner saw nothing wrong with our rules.”

Commission members, in their first appearance before the committee that oversees their decisions and activities said that, compared to other states, Minnesota's horse racing, pari-mutuel legislation is easy to work with and almost problem-free.

Mary Martin, from the Association of Residences for the Retarded in Minnesota (ARRM), said her association has problems with the current temporary rule-making process, that allows state agencies to adopt rules without hearings for a period of time before the proposed rule goes through the full rule-making procedure.

"Using temporary rules for an overhaul of a system promotes hasty piece-meal policy development and requires the agency to incur costs of developing temporary rules and the permanent rules that must follow," says Martin.

Martin recommends renaming temporary rules, "emergency rules," that agencies would adopt only when speed is necessary, not just desirable.

Steve Mihalchick, who is working with the administrative law section of the Minnesota State Bar Association, told the committee the section is considering significant changes to the APA to make it quicker and less costly, and still address the public interest.

The section has several proposals to do so, he said, one of which is to adopt more rules through the "noncontroversial" rule-making process, which requires no public hearing. The section may suggest raising the number of people who must object to this method, from 7 to about 25, before a rule would need a public hearing.

### **Some prefer little, if any change**

"The current APA allows greater public participation, requires a greater amount of agency documentation and justification than do similar laws of most other states," said Ted Shields, a consultant to the Outdoors Committee, a business, labor, and agricultural interest group. "It is more time consuming, but so what? Whether it is more costly, is subject to question and debate," said Shields.

According to Shields, rules are as important to citizens as laws of the state. He said he strongly opposes most proposals for major change to the APA but made suggestions for some modifications.

The APA works for the Department of Revenue, according to Dorothy McClung. To avoid some of the expense of printing proposed rules, McClung said her department sends copies of drafts to concerned groups for comment before the proposal goes to print and to a hearing.

### **Some concerned over APA exemptions**

But Bill Dilks, who represented Carver and Scott counties, in his testimony said he's concerned about agencies exempt from the APA, specifically the Waste Management Board (WMB).

"There's a great potential for abuse when the hearing process is bypassed," said Dilks.

The committee heard comment and had discussion on WMB siting activities in various parts of the state, including St. Louis County and Fridley.

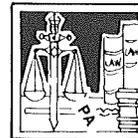
"Exemptions from the APA may do more harm than good in some cases," said Rep. Bob Neuenschwander (DFL-Int'l Falls), "in terms of not giving enough direction in getting public input."

The committee will continue hearings on the APA in future meetings.

### **Subcommittee action:**

**Jan. 12: The Pensions & Investments subcommittee met to hear comments on the Winklevoss Report relating to Minnesota Retirement Systems.**

**Jan. 12: The Jobs Creation & Unemployment subcommittee met to hear reports on the AFDC provisions in the Minnesota Emergency Employment Development (MEED) program.**



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## Judiciary

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**F**irearm theft and the sentencing guidelines were two items on the agenda of a Jan. 9 meeting of the House Criminal Justice Division of Judiciary.

One of the bills before the division, HF1304 (Clark, J., DFL-Mpls), would increase the penalty for stealing a firearm and for receiving or possessing a stolen firearm.

The offense would be a felony, and carry a penalty of up to 5 years in prison and/or a \$10,000 fine. The offense is currently a misdemeanor if the value of the firearm one steals is \$250 or less, or the value of the stolen firearm one receives or possesses is \$300 or less.

"Regardless of the value of a firearm, it would be a felony to steal, receive, or possess a firearm one knows, or has reason to know, is stolen," said Norman Coleman of the attorney general's office.

The division amended and approved HF1304 and HF1382, and sent them on for review by the full Judiciary Committee.

photo by Kay Seelhoff



**Rep. Janet Clark (DFL-Mpls) testifies in support of stricter child abuse and gun theft laws at Jan. 9 meeting of Criminal Justice Division of the Judiciary Committee.**

### **Legislation would make a statement**

Coleman said he doesn't expect the legislation would make much difference in number of prosecutions for theft of stolen weapons. It would, though, make the statement that to possess, transfer, or steal a weapon is a felony, in and of itself, and presents a threat to citizens and law enforcement officials, Coleman says.

Bill Gillespie from the Minnesota Police and Peace Officers Association added, "We want to leave the public with the perception that there's greater risk involved in stealing, receiving, or possessing stolen firearms."

### **Proposed changes to sentencing guidelines law**

In other testimony, Rep. Dave Bishop (IR-Rochester) said his bill, HF1382, would make changes to the sentencing guidelines law that would give the authority to review and veto Sentencing Guidelines Commission actions back to the Legislature.

Bishop said the proposed changes are in response to controversy that arose over the summer when the commission proposed reducing some prison sentences to relieve the problem of prison overcrowding. The commission later abandoned its proposals because of adverse public reaction.

### **Provisions in HF1382 would:**

- Require the commission to submit proposed sentence changes to the Legislature by Jan. 1 of the year the commission wants the change. The modifications would become effective Aug. 1 of that year, unless the Legislature took other action.
- Clarify that the sentencing guidelines are not subject to review by the Legislative Commission to Review Administrative Rules (LCRAR) but require the Guidelines Commission to adopt rules, by June 1, 1985, establishing procedures for enacting the sentencing guidelines that are subject to LCRAR review.
- Exempt certain changes to the guidelines from legislative review.
- Clarify that changes to the guideline sentences are retroactive when they make changes in terms of imprisonment but not in terms of supervised release or in terms of imprisonment that result from revoked supervised release.

**M**ore separations and divorces, and a mobile society, have meant more missing children—many abductions by a parent, according to Rep. Gloria Segal (DFL-St. Louis Park).

"Child abduction should be a crime, whether by a parent or by a stranger," Segal told members on the Criminal Justice Division in a Jan. 11 meeting. Segal is sponsoring legislation to strengthen Minnesota's child abduction laws.

"Abduction is victimization and abuse of a child. It is done, out of anger, to get even with the other parent," said Segal.

### **New law could erase waiting period**

HF1347 would make it a one-year felony for a parent or stepparent to take, keep, or conceal a child from the other parent or legal custodian with the intent to deprive the other parent or custodian of his/her rights to the child.

Current law provides that the offense becomes a felony only after 14 days of the abduction, if there's a custodial parent. During the initial 14 days, the offense is a misdemeanor, and it's not possible during that time to get FBI help or other child-locator services.

HF1347 would remove the waiting period and cover cases where the parents aren't married, or a divorce is pending, which current law does not do.

### **Public testimony supports legislation**

"My son was gone for four months," said Laurie Corwin of St. Louis Park, "and for two weeks no one would do anything." To get her son back, Corwin said she had to hire a private investigator and pay over \$5000. "The law has to be changed so this doesn't happen anymore," said Corwin.

"If my son had been taken by a stranger instead of his father, I would have had the assistance and resources of state and local authorities, as well as the FBI, immediately upon my son's

abduction. Because it was considered an abduction and not a kidnapping, all action taken for two weeks after the abduction, was done by myself," said Marj Romero of Plymouth.

The committee recommended HF1347 to pass as amended and sent it on to the full Judiciary Committee.

### **Legislation would remove child abuser**

The division also heard about HF1386 (Clark, J., DFL-Mpls), a bill that would allow the court, at the direction of a local welfare agency, to take an abusive parent or adult out of the home; provided another parent is at home to care for the abused child and other children.

Currently, when someone reports child abuse, the court has authority to take the child from the home for protection, place him/her in a shelter, or, possibly, a foster home. Or the court can recommend counseling or other treatment. But the court doesn't have authority to remove the abusing adult, unless a family or household member requests a court order for protection.

"But the child doesn't see it as protection. S/he feels guilty and embarrassed about the child abuse. Children come to feel that they're the criminals," said Clark.

"Instead of moving children away from their loving parent, toys, brothers and sisters, and friends, and out of their schools, why don't we remove the criminal, the perpetrator of the act?" asked Clark. "It offers the courts another option in dealing with child abuse.

### **Removal of the child is traumatic**

"Removal of an abused child is very traumatic to the child," said Janeen Rosas from the Hennepin County Attorney's Office in her testimony. "Many times children don't understand the significance of what they've reported, so they don't understand why they're taken away to a strange environment, sometimes with no prior warning," Rosas said.

Given the situation where abuse is taking place to such an extent that the environment is no longer safe for the child, Rosas asked, "Which is more fair: to deprive the abuser of his/her family, or to deprive the child of his/hers?"

### **Something about Amelia**

Mary Lauhead, family lawyer, says she's not opposed to the concept of HF1386, but does object to its possible placement as a juvenile court issue under Minnesota's Domestic Abuse Law which deals with adults.

Talking about her concern for the child who stays in the home, unsupervised by an outside party, in a setting of anger, hurt, and hostility, Lauhead referred to the movie, "Something About Amelia," (a recent television film about a father who sexually abused a young daughter).

"How would Amelia have felt," asked Lauhead, "if she stayed in her home for the first week, or the first day, after the family discovers the abuse, when her mother was so outraged at the thought that this child was lying and making such a slanderous accusation at her husband?"

The committee will continue hearing the issue in other meetings.



### **Labor-Management Relations**

**W**aitresses, waiters, and other workers that rely on tips as part of their wages piled into a meeting of the Labor Management Relations Committee Jan. 9 to testify in favor of taking the tip credit out of Minnesota's minimum wage law.

Right now, under the law, employees who make \$35 or more in tips each month, can get only 80 percent of the state's minimum wage of \$3.35, making their hourly pay a below-minimum \$2.68.

### **Law affects waiters and waitresses**

This kind of legislation, according to members of Local 17, AFL-CIO, Hotel Employees and Restaurant Employees Union, mostly affects waiters and waitresses.

"We're asking the Legislature to remove tip credit from the minimum wage law, bringing all tip workers up to the full minimum wage by law," said Tobey Lapakko, consumer affairs director for Minnesota AFL-CIO.

### **"Restaurant employees get double whammy..."**

"Restaurant employees suffer a double whammy. Not only are they employed at 80 percent of the state's minimum wage level, but the 8-percent-tip-allocation law Congress passed in 1982 significantly reduces the income of tip workers and confuses the tip credit issue even more.

"We should have a minimum wage law that is fair and equal to all," Lapakko says.

photo by Paul Battaglia



Rep. Doug St. Onge (DFL-Bemidji) testifies for HF347 (Murphy, DFL-Hermantown), a bill that would eliminate tip credit for waiters and waitresses.

### Law not easy to enforce

"We support legislation that would attempt to do a better job of enforcing the minimum wage law and clear up the confusion that might exist among employers and employees," says Charles Curren from the Department of Labor and Industry (DLI).

"The law is hard to enforce and often not understood by the parties it impacts and costs the state a ball park figure of \$75,000 to \$80,000 to enforce," says Curren.

Those against doing away with, or reducing, tip credit argue that it will mean less growth in the restaurant industry and fewer jobs. Also, they say, cost of meals will go up.



## Local & Urban Affairs

**"G**ood fences don't necessarily make good neighbors," Representative Loren Solberg (DFL-Bovey) told the Local and Urban Affairs Committee in a Jan. 10 meeting. On the agenda was Solberg's House Advisory bill, HA21.

HA21 suggests changing the Partition Fence Law (Minnesota Statutes, Chapter 344) that Solberg says dates back to the 1800s and is obsolete. The committee sent the advisory to the subcommittee for further study, and Solberg says he'll author an official bill in the upcoming session.

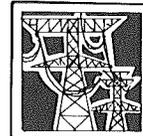
### Bill would change platting requirements

The committee also heard and sent to subcommittee, HF1010 (Sparby, DFL-Thief River Falls), which would change platting requirements. Present law reads that the county must plat out any piece of land smaller than 20 acres. Sparby proposes that platting requirements apply only to areas smaller than five acres.

In other action, the committee recommended to pass and rereferred to the Appropriations Committee, HF1055 (Johnson, IR-Caledonia), a bill proposing restoration of land markings on Minnesota's section boundaries (remonumentation).

### Subcommittee action:

Jan. 10: Subcommittee on Governmental Administration and Structures recommended to the full committee, that HF1055 (Johnson, IR-Caledonia) on Remonumentation, as amended, be recommended to pass. (See full committee action above.)



## Regulated Industries

**E**ffects of telephone deregulation, what the changes will mean to individuals and businesses, had the attention of the Regulated Industries Committee at a Jan. 9 meeting with people from telephone companies and co-ops that offer phone service—leaders in the telecommunication field. (See story on deregulation p. 38.)

### The right to service

These leaders agree universal service, the concept that every person should have access to telephone service at a reasonable cost, is the big issue for consumers during the deregulation period. Because business and long-distance charges will no longer subsidize residential rates, many consumers face rising costs and some fear they may have to give up phone service altogether.

"There is no group or party in this debate that doesn't agree that we must maintain universal service," said Roger Herdt from United Telephone. "The question is how to maintain or achieve this universal concept throughout deregulation."

Herdt says the two issues of deregulation are the move toward actual cost, which accounts for the residential price increase, and the bypass problem. Bypassing happens when businesses that pay rates that supplement residential rates, buy service outside of traditional communication systems. If phone companies lose

their business customer dollars, they must charge residential customers more for service, especially in less-populated rural areas.

Larry Ware, from Garden Valley Telephone Co-op, a group serving a low-density area in Northern Minnesota, says higher customer rates will put phone service out of the financial reach of many people. Ware agrees deregulation is meeting FCC goals of giving consumers more choices in service, equipment, and new technology, but he wants the Public Utility Commission to come up with some policy to smooth the transition period from regulation to deregulation.

"We must move into the deregulation environment with care so we don't destroy the fine network and service we have now," says Ware. If current trends continue, Ware said, in six years, customers in his area will face rate increases of 225 percent.

### **Residential subsidy not the answer**

"I'm a believer that the industry should not be a subsidy for low-income families any more than any other industry. Any problem that exists should be handled by regular governmental bodies through regular governmental programs," said Paul Stevens from Mankato Citizens Telephone.

Doug Morton of Continental Telephone agrees that phone companies shouldn't subsidize customers who can no longer pay for service, that those customers should find funds from other sources or use limited, or metered, service.

### **Rural co-ops disagree with solutions**

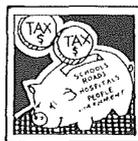
Rural telephone co-ops disagree. Ware says metered service in his area won't save customers any money. He says cost of metering service and monitoring limited service would be just as high as regular service.

Committee members also heard from Pete Beckman, Northwestern Bell, who says some metro-area customers may have to pay more than out-state customers. Beckman says he hopes new access charges will keep costs in line.



Rep. Elton Redalen  
(IR- Fountain)

photo by Tom Olmscheid



## **Taxes**

**T**he Taxes Committee met Jan. 10 to discuss two bills, HF404 (Osthoff, DFL-St. Paul) and HF1377 (Scheid, DFL-Brooklyn Park).

HF404 is a bill Rep. Tom Osthoff of St. Paul introduced last session which would increase income deductions available to parents of elementary and secondary students for tuition, textbooks, and transportation expenses. The bill, as the committee amended it, would increase deductions for students in grades K-6 from \$500 to \$850 and for students in grades 7-12 from \$700 to \$1200.

### **Deductions would apply to all schools**

Supporters of the bill stressed that the deductions would be available to parents of dependents

in both public and nonpublic schools and that the U.S. Supreme Court ruled it constitutional in June 1983.

"This is not a non-public versus a public school bill, because the Supreme Court obviously would have thrown it out. It's a deduction off taxes for parents with children in all schools," said Osthoff.

People who testified against the bill said their concern is that money may go to the nonpublic school systems at a time when public schools are not financially healthy. Rose Hermudson, Minnesota Federation of Teachers, said, even though deductions are available to all parents, parents of children in nonpublic schools would benefit more, because public school parents aren't likely to spend \$850 on pencils, notebooks, and bus rides.

from municipalities testified. They're concerned about language definitions in the bill, implementing the bill, and the availability of 1984 payable tax credits. They also want flexibility so local governments can "call the shots on some of the fuzzier issues."

Enterprise-zone legislation includes Minnesota border cities in an attempt to help them compete with cities directly across the border from them in other states.

Some such border-zone municipalities would like to see food and beverage services, automobile sales or services, and recreation or entertainment businesses become eligible for Enterprise Zone credits.

### **Duluth gets funds as a border-zone city**

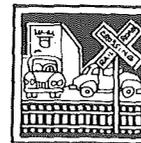
The division and Dayton also discussed the need to put \$6.6 million in tax credits into the Border Cities Funds to fund Duluth, which, according to the attorney general's ruling, qualifies as a border-zone city.

The Legislature, said Dayton, must fund this additional allocation by either transferring the remaining \$7 million (in reserve for the second year's cycle of competitive applications) or provide an additional \$6.6 million in tax credits. Some committee members questioned if part of the \$6.6 million was not already available in the allocations.

The committee will put its recommendations into a package to go to the Legislature in March. (See story on small business p. 4.)

### **Other meetings**

Jan 18: Economic Development Division met in Faribault with business community, Chamber of Commerce, local government officials, organized labor, and other interested parties to discuss state's economic climate.



## **Transportation**

### **Subcommittee action:**

Jan.11: Highway Safety subcommittee heard a proposal for an interim study of directional signing on roads.

If this supplemental aid causes local governments to exceed their levy limits for taxes payable in 1984, they would then reduce their limit levies for 1985 by the excess amount.

The committee recommended to pass HF404 and HF1377 as amended.

**J**an.12 the Economic Development Division of the Taxes Committee met to hear testimony on "Enterprise Zone" legislation. The law passed as part of the 1983 Omnibus Tax bill. It provides for the creation of enterprise zones to help economically depressed areas of the state attract new businesses and allow businesses they already have to expand through a variety of tax exemptions and credits.

Authorized credits will go to each zone in the form of 1) an exemption from the general sales tax for purchasing construction materials and equipment, 2) income tax credit for newly hired employees, 3) an income tax credit for a percentage of the cost to finance construction of new facilities, and 4) a state-paid property tax credit for portions of or additional property taxes paid for the expansion of existing commercial or industrial facilities.

### **Local governments want flexibility**

Mark Dayton, commissioner of Energy and Economic Development, and representatives

### **Not all expenses deductible**

According to Dale Busacker, attorney for the Income Tax Division of the Department of Revenue, eligible deductions are those that parents pay out for items students use within the normal course or class and for equipment students use for subjects public schools legally and commonly teach.

Deductions are not allowable for items students use outside class or that schools use in teaching religious tenets, doctrines, or worship.

### **Bill would restore government aid**

Rep. Phillip Riveness (DFL-Bloomington) presented HF1377 (Scheid, DFL-Brooklyn Park). The bill would restore, in 1984, nearly \$3.5 million of local government aid which the state underfunded last spring.

The speaker of the House is responsible for the selection of committees, committee chairs, and the assignment of legislation committees will work on.

To help with work plans and schedules, early in January, this notice of committee deadlines for the 1984 session went out to House members and staff from Speaker of the House Harry Sieben, Jr.:

- "The deadline for House bills to pass out of House Committees is Friday, March 30.

- The deadline for Senate bills to pass out of House Committees is Monday, April 9."

Here's a view of what the workload looks like from chairs of House standing committees—a listing of issues they expect will get committee action.

## *Committees gear up for busy session*

Inscription on the wall above the fireplace in the House retiring room, second floor of the State Capitol

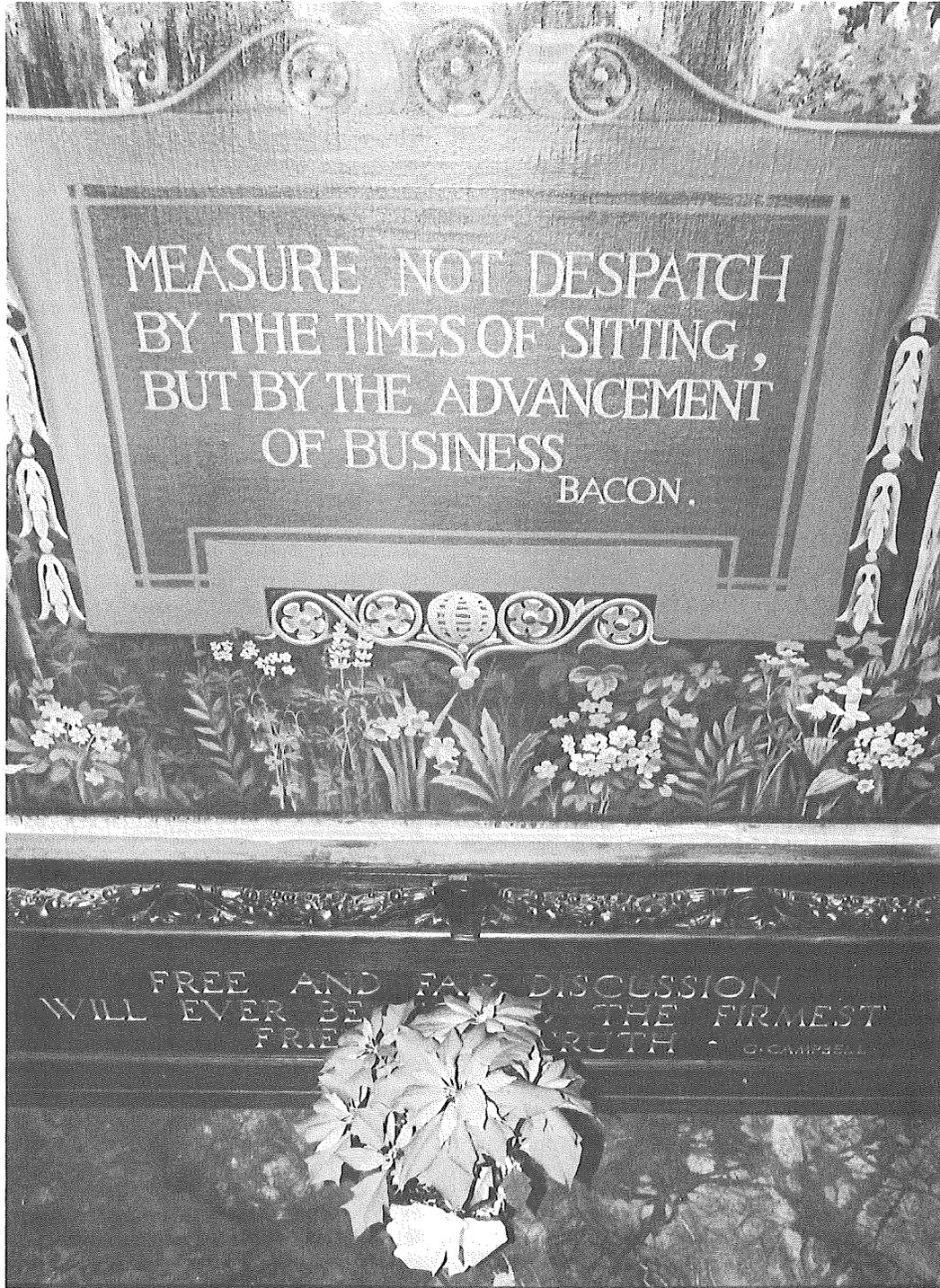


photo by Paul Battaglia

## **Agriculture Committee**

### **Chairman Steve Wenzel (DFL-Little Falls)**

- Dairy legislation—component pricing for dairy products, encouraging milk consumption in schools, and making milk the state's official drink.
- Soil and water conservation issues
- State financing of small agri-processing businesses
- Resolution urging stronger congressional efforts in U.S. farm legislation

## **Appropriations Committee**

### **Chairman James Rice (DFL-Mpls)**

- The bonding bill—(probably will be in excess of \$200 million, 85 percent of which the governor's proposed for education).
- Hard look at the engineering programs at Mankato State, St. Cloud State, and initiatives at the U of M Duluth; inter-collegiate athletic capital expenditures.
- Jobs and General Assistance programs
- Hazardous waste management
- Economic development expenditures
- Lottery bill's impact on state finances
- Review of Human Rights Department
- Commission report on the court reorganization
- Motor vehicle excise fund transfer
- Student financial aid

## **Commerce & Economic Development Committee**

### **Chairman John Sarna (DFL-Mpls)**

- Prompt pay bill
- Buy Minnesota Law
- Small business set-aside program

## **Education Committee**

### **Chairman Robert McEachern (DFL-St. Michael)**

- Summer school reinstatement
- Teacher and student assessment
- Foundation aid amount for 1985-86 school year
- Community education teacher requirements
- College teacher training programs
- Changes in aid formula for teacher training and experience
- Education Commission recommendations

## **Energy Committee**

### **Chairman Gordon Voss (DFL-Blaine)**

- An omnibus bill—to include several energy policy positions: modifications to district heating program; suggestions for stronger alternative energy programs; changes to standards for energy efficiency; utility audit program; possibly other issues from energy task forces.
- Waste combustion and energy conversion
- District heating program
- Mobile homes

## **Environment Committee**

### **Chairman Willard Munger (DFL-Duluth)**

- Land fill abatement
- High level radioactive waste
- Toxic substances disclosure act ("community's right to know")
- Waste tire recycling
- Changes to sewage treatment construction grant programs
- Miscellaneous game and fish issues
- Waste Management Act changes

## **Financial Institutions and Insurance Committee**

### **Chairman Bernard Brinkman (DFL-Richmond)**

- Banking concentration regulation
- Intra-state banking efforts
- Debt collection practices
- Miscellaneous technical banking and insurance law changes

## **General Legislation and Veterans Affairs Committee**

### **Chairman Richard Kostohryz (DFL-North St. Paul)**

- State-run lottery
- Bingo—tighter regulations; higher prize limits, more variety of games
- Compulsive gambling proposal
- Racing—commission staff exempt from civil service, raising limit on betting profits before taxes
- Reduction of size of Legislature
- Metro Council member elections
- General department bill on military affairs

## **Governmental Operations Committee**

**Chairman Fred Norton (DFL-St. Paul)**

- Unemployment compensation
- Constitutional amendment consolidating certain constitutional offices
- Changes to streamline the Administrative Procedures Act (APA)
- Reduction of size of Legislature
- Repeal of the public official pay bill
- Reorganization of Human Rights Department

## **Health & Welfare Committee**

**Chairman James Swanson (DFL-Richfield)**

- Health Maintenance Organization (HMO) regulation
- Certificate of need phase out
- Catastrophic Health Expense Program (CHEP)
- Pilot program for Medicaid
- Medical Assistance reimbursement for certain facilities
- American Indian children placement and adoption
- Proposed merger of Health and Public Welfare departments
- General Assistance funds for the jobs program
- State hospital reorganization plan

## **Judiciary Committee**

**Chairman Robert Vanasek (DFL-New Prague)**

- Firearm theft penalties
- Sentencing guidelines
- Missing children
- Sexual abuse and assault
- Penalty assessment on traffic and criminal fines for officer training and victim assistance programs
- Peace officers' responsibilities and jurisdiction
- Community crime prevention
- Telecommunications services theft
- Deceptive and unfair insurance practices
- Privacy rights for tenants
- American Indian children placement
- Homeowners' insurance—prohibiting exclusions from coverage for members of the same household
- Miscellaneous technical changes to Court of Appeals laws
- Court unification
- Judicial merit selection
- DWI
- Gun laws
- Juvenile traffic offenders
- Nuisance legislation to regulate pornography
- Data privacy

## **Labor Management Relations**

**Chairman Joseph Begich (DFL-Eveleth)**

- Tip credit and minimum wage for service persons

## **Local & Urban Affairs Committee**

**Chairman Glen Anderson (DFL-Bellingham)**

- Governor's proposals on metropolitan government
- Replacing Metropolitan Transit Commission (MTC) with a Regional Transit Authority (RTA)
- Joint House-Senate Commission on metropolitan government
- Recodifying and updating township laws

## **Regulated Industries**

**Chairman Joel Jacobs (DFL-Coon Rapids)**

- Fair Share fuel assistance program
- Wine sale in grocery stores
- Purchase gas adjustments—requiring gas utilities to negotiate and intervene in hearings to keep prices down
- Customer utility deposits—raising interest rate
- Public telephone service

## **Rules and Legislative Administration**

**Chairman Majority Leader Willis Eken  
(DFL-Twin Valley)**

- Meets on call of the chairman
- Responsible for overall functions of the House, legislative and administrative.
- Members include Minority Leader David Jennings (IR-Truman) and Speaker of the House Harry A Sieben, Jr. (DFL-Hastings).

## **Taxes Committee**

**Chairman John Tomlinson (DFL-St. Paul)**

- 10% income tax surcharge repeal
- State's surplus fund amount
- Motor vehicle excise fund transfer
- Tax amnesty proposal for delinquent taxpayers

## **Transportation Committee**

**Chairman George Mann (DFL-Windom)**

- Mandatory seat belts
- Motor vehicle excise fund transfer
- Highway signing
- Omnibus Transportation Department bill including changes in highway rest stop vending machine requirements

February

# Interim committees

for loan applications, 170 from the four counties in the Thief River Falls area, and it takes an extreme amount of time to put loans together.

"We've put together a team of loan officers to work with this backlog. And we're aiming to process loans by spring. Of course, there'll be some that will take longer to work on, they may slip over beyond spring. But I assure you this," Bjorhus said, "anyone that qualifies for a loan from us will get a loan even though it might be late."

On the federal level, staff members reviewed activities and programs Minnesota congressmen are working on.

### Subcommittee action:

**Feb. 20: Dairy and Livestock subcommittee recommended to pass HF1237 (Krueger, DFL-Staples), a bill that would make milk available at a reduced cost in public and private schools. The subcommittee also heard HF1425 (Krueger, DFL-Staples), a component pricing bill.**



## Agriculture

**T**he low-cost milk program could be back in Minnesota schools under a bill the House Agriculture Committee recommended to passed Feb. 22. HF1237 (Krueger, DFL-Staples) would set up a voluntary program, making milk available at a reduced cost to students, teachers, and support staff in public and private schools. House author, Rep. Rick Krueger, says HF1237 has statewide support and that reinstating the reduced-cost milk program, which most school districts dropped because of federal budget cuts, would give farmers more milk markets and provide a healthy nutritious drink for all Minnesotans.

**O**n Feb. 23. Agriculture Committee members heard HF432 (Redalen, IR-Fountain), a bill that would set standards to prohibit excessive soil erosion and sedimentation on farmland, woodlands, and construction sites.

Author of the bill, Rep. Elton Redalen (IR-Fountain), said HF432 would serve as a model land-use ordinance that Minnesota counties would have to adopt in 1989. He says county commissioner boards would have the authority to manage and enforce the law through their zoning administrators. Or by mutual agreement, boards could transfer authority to local soil and water conservation boards.

Committee members also heard reports from the staff of Minnesota congressman and the United States Department of Agriculture Farm and Home Administration (USDA FmHA) on farm disaster loans.

### FmHA working on backlog

"We have a backlog of loans to process," said Russ Bjorhus, from FmHA. "A large number of farmers are coming to our office



## Appropriations

### Education Division

**C**iting wornout and inadequate facilities, University of Minnesota officials area skiing for more than \$74 million for construction and renovation projects throughout the University system for the next fiscal year.

"It is not an overstatement to state that in terms of student facilities, we've provided them the worst at the University of Minnesota," Ken Keller, vice president for academic affairs, told members of the Education Division Feb. 20.

The electrical engineering program at the Minneapolis

campus, for example, has absorbed a 70 percent enrollment increase in the past decade with no additional faculty members, he said. As a result, the program has had to turn away applicants and raise admission standards for transfer students.

The University is requiring \$3.6 million for a new electrical engineering and computer science building, a plan that also would increase electrical engineering faculty members from 34 to 50 and double the computer science faculty over the next four years.

The engineering/computer science building is one of several major projects the University is seeking for fiscal year 1985, totaling \$74,633,000. The governor has proposed funding \$59,282,000 of that amount. Other requests include:

- \$22,800,000 to remodel Smith Hall, a chemistry building, Minneapolis campus
- \$1,472,000 to expand the animal science program, St. Paul campus; \$3,500,000 to remodel Williams Area to include numerous safety features
- \$13,258,000 for a microbiology building and remodeling of the School of Public Health, Minneapolis campus
- \$1,567,000 to remodel and expand Owen Hall, Crookston campus
- \$1,222,000 for an addition to the mechanized agriculture program, Waseca campus. It includes remodeling a storage area into a receiving dock
- \$2,087,000 for recreation facilities, Duluth campus

**“I**f all else stays equal, and the same proportion of people attend the same types of institutions, here is what the future will look like for Minnesota’s public post-secondary institutions for 1983-84 through 2002-03: enrollments will fall from approximately 145,000 in 1982-83 to a low point of under 121,000 in 1994-95, followed by an increase in enrollment in the early 2000s,” David Longanecker from the Minnesota Higher Education Coordinating Board told the Education Division of the Feb. 21.

Longanecker reviewed the most recent enrollment projections for state schools. The projections, he says, come from current enrollment patterns of elementary, secondary and post-secondary schools and projected demographic conditions. They don’t include such factors as economic trends or program changes that can also affect enrollments.

State Demographer Thomas Gillaspay questions how higher education institutions will deal with these facts, plus the increased competition from the labor force and military for the traditional pool of college students.

Gillaspay recommends that AVTI institutions, colleges, and universities market their services to different age groups and a broader geographic market to maintain their enrollments.

**M**ost of the \$55 million capital budget requests from state universities and area vocational technical institutes are needed for major building remodeling, utilities repairs, and safety improvements, witnesses testified Feb. 21 before the Education Division.

State officials have “realized that over the last few years, our physical plants have suffered a certain amount of neglect,” said Jon Wefald, chancellor of the state university system. The governor’s recommendation of more than \$41 million for improvements at state universities indicates their needs, he said.

The system is requesting more than \$43 million, including:

- \$7,365,000 to build a science and engineering classroom building, Mankato
- \$6,750,000 to remodel Somsen Hall, Winona

- \$3,030,000 to build Rochester Center, Winona, for use by students at the two communities
- \$5,940,000 to remodel Gray campus lab school for engineering and computer programs, St. Cloud

The system also is asking for \$500,000 to plan renovating Stewart Hall at St. Cloud, but the governor is recommending \$8.7 million for the entire project.

The Area Vocational Technical Institutes are asking for more than \$11 million for capital projects, including:

- \$2,125,000 to expand facilities at Duluth
- \$1,046,000 to remodel the electronics warehouse at Anoka
- \$637,500 to buy current rental facilities at Hutchinson
- \$640,906 for various maintenance projects at several institutes.

The institutes are also requesting \$1.7 million to replace the aviation training center in Minneapolis, but the governor is recommending approval in fiscal year 1988.

### Other meetings

Division members visited: St. Paul Technical Vocational Institute, Feb. 10; Anoka-Ramsey Community College and Anoka AVTI, Feb. 22; Solid State Electronics Division of Honeywell Inc. and Datamyte in Minnetonka, Feb. 23. A trip to St. Cloud State University, Willmar AVTI and Hutchinson AVTI was canceled Feb. 11 due to heavy fog and rescheduled for March 3.

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## Health, Welfare and Corrections Division

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**A**n estimated 400,000 Minnesotans have mental illness-related problems, approximately 30,000 adults and 23,000 to 35,000 children and adolescents are chronically ill, according to Margaret Sandberg, assistant commissioner, Department of Public Welfare (DPW). Sandberg testified at a Feb. 20 meeting of the Health, Welfare and Corrections Division on funding mental illness programs.

Sandberg says DPW hopes to obtain financial assistance from the National Institute of Mental Health to develop a client-tracking system and coordinate various state agencies.

Currently DPW administers funding of four types of mental health programs:

- **Adult Residential Facilities**—The governor is requesting \$2.4 million to phase-in unlicensed facilities and prevent the discharge of an estimated 820 persons who now live in 32 such facilities
- **Community Support Projects**—Currently 58 counties are without Rule 14 funding
- **Federal Block Grant**—For alcohol, drug abuse, and mental illness services

- **Indian Mental Health Projects**—Future funds and extended services to additional Indian communities are uncertain

**F**eb. 21 the division met to hear an update on Title XIX, a program to encourage home and community-based services for the mentally retarded. The 1983 Legislature authorized a waiver to federal regulation and submitted it to the U.S. Department of Health and Human Services in January. Implementing the waiver in July will expand the state's capacity to use Medical Assistance funds in developing non-traditional Medicaid services for the mentally retarded.

Eligible clients for the waiver services are Medicaid-eligible mentally retarded persons that now live in, or require care from, an intermediate care facility for the mentally retarded (ICFMR). Counties will be responsible for determining client eligibility, for monitoring and developing the programs, for case management, and for contracting.

DPW has requested permission from the federal government to allow for phasing-in of the requested services. Various organizations raised concern for state involvement in implementing these services, need for state facilities employees' input, and stability of state employee positions.

**T**he division heard from Orville B. Pung, commissioner of corrections, Feb. 22 about the new women's correctional facility in Shakopee. Requested changes will allow for two minimum-to-medium security residential units of 32 beds, instead of three units of 24. Only the segregation wing will have a high security fence. Plans are to annex the core building with an alternative fuel burning system.

The core building, two minimum-to-medium security residential cottages, a segregation cottage, and a work release building make up the facility. The core building will house two industry areas, one for light industry (office skills), with another for light-to-medium industry. Pung has set up an advisory task force to examine viable options for the light-to-medium industry area.

The prison will also offer two outdoor courtyards "tot lots". The cottages will have trundle beds to accommodate visiting children. All cottages will contain living quarters for the handicapped, with all buildings handicap accessible.

**C**ommissioner Barbara Beerhalter, Department of Economic Security (DEC), gave the division an update on sheltered workshops and the 1983 legislation on grievance procedures on Feb. 23.

The division also heard DEC's criteria for funding of sheltered workshops. Workshops get approximately 26 percent of their funding from the state, 11 percent from the county, 57 percent from in-house sales and production, 3 percent from United Way, and 3 percent from other non-profit and private organizations.

The 1983 legislation required sheltered workshops receiving funding from DEC to:

- provide workers with a grievance procedure ending in final and binding arbitration
- provide fundamental personnel benefits
- comply with federal laws governing payment of sub-minimum wages

Public testimony at the meeting expressed problems with DVR's evaluation of facility compliance and effectiveness, lack of factors in determining the formula for funding, and the cost to facilities to comply with the requirements the 1983 legislation added.

### Other meetings

Feb. 20: Health, Welfare and Corrections Division toured mental illness facilities: Family Style in St. Paul and Pursuit Incorporated in Minneapolis.

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## State Departments Division

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**T**he State Departments Division heard two presentations, Feb. 21, regarding the Capitol-area's building and development plans. Gary Grefenberg, Capitol Area Architectural Planning Board (CAAPB), brought the committee up-to-date on projects in the Capitol area. These include: current renovation of the State Office Building; planning for an architecturally sympathetic renovation of public and ceremonial areas in the Capitol; cooperative private residential and commercial development in the north Capitol area; district heating construction now underway; bridge reconstruction over the I-94 trench; and planning with the City of St. Paul for a possible mall from the World Trade Center to the Capitol grounds.

### Short on parking space

Parking space continues to be a problem in the Capitol area and committee members fear it will get worse after the construction of a new history center, now in the planning stages. (The Historical Society has closed registration for the building design competition and will select seven finalists before awarding the commission.)

Mr. Grefenberg recently organized a task force with Ramsey County Hospital staff to consider sharing existing parking lots and ramps. The CAAPB hopes to establish the Capitol area as an attractive urban park while maintaining efficient state government within its historical and architectural setting.

### New courts building

In the second presentation, Sue Dosal, state court administrator, outlined the need for a new court building. She said judicial personnel are now in seven different buildings in the St. Paul area, causing a financial burden due to traveling expenses and duplication of services.

A Judicial Building Program Study recommends a new building close to, and compatible with, the Capitol building. The new structure would consolidate the entire judiciary, with the

exception of the present Supreme courtroom and conference room in the Capitol.

### Location is a question

Consultants and authors of the study talked about many sites on the Capitol grounds, and four best met their criteria. These included two park areas immediately west of the Capitol across Park St. and northeast of the Capitol at the intersection of University Ave. and Cedar St.

### All sites create problems

The other two sites include parking lot B, north of the Capitol, and the site of the Minnesota Historical Society. Committee members recognize problems with all of these sites. Building on open green space may violate a statute regarding the purpose of the CAAPB that states it is "to protect, enhance, and increase the open space within the Capitol grounds and Capitol area." The Historical Society opposes the use of their site for the judiciary building, and the use of parking lot B would add to the parking problem.

**O**verall, we believe that the Department of Natural Resources (DNR) is well run," said State Administration Commissioner Sandra Hale, after the release of a six-month study on the DNR's regional and subregional structure. The Department of Administration's Management Analysis Unit did the study which the Department presented at a Feb. 22 meeting. Focusing on DNR's six geographic regions, the study analyzed lines of authority, coordination, support services, and administration by interviewing 215 field staff from regional administrators to forestry workers.

Since 1974, the DNR has had six administrative regions, each with its own head who reports to the Deputy Commissioner in St. Paul. Each region has a support staff of business managers, field service

coordinators, land specialists, and engineers. Six DNR programs (enforcement, fish and wildlife, forestry, minerals, parks and recreation, and waters) go on within the regions.

The Management Analysis Unit did find some problems. Each of the three northern regions, with their wealth of forests and lakes, have a larger workload and more area than the region comprising the Twin Cities metropolitan area, for example. The study recommends adjusting regional boundaries to better balance workloads, and as a first step, that Wright, Sherburne, Isanti, and Chisago counties become part of the metro region.

The study also recommends minor staff and program structure changes and adding more staff, but concludes that the current structure is an efficient system.

**F**eb. 23 the division heard testimony on three recent reports on the Department of Human Rights from Kathryn Roberts of the Department of Administration, Steve Belton, chairman of the Governor's Blue Ribbon Task Force on Human Rights, and Allan Baumgarten from the Office of the Legislative Auditor.

For a summary of these reports, see the review of the Feb. 20 Governmental Operations Committee meeting.



## Commerce/Economic Development

**“L**everaging “Explore Minnesota” where ever we can is what we’re doing,” Hank Todd from the Office of Tourism told the Commerce and Economic Development Committee Feb. 23.

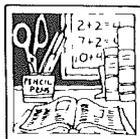
In an attempt to bring committee members up-to-date with work plans to increase the awareness of Minnesota as a vacation spot, Todd outlined programs and activities.

He said for the last six months the tourism office developed new programs and are expanding existing programs for fall, winter, and spring/summer seasons of 1984. Advertising, international marketing, public relations programs, and joint venture regional programs as well as travel information services, publications, sales, and research are special interest areas.

In other action, the committee recommended passage of HF1288 (Brinkman, DFL-Richmond), a bill that would exempt certain petroleum pumps and meters from certain inspection fees and would set a fixed fee of 25 cents per 1,000 gallons for petroleum product quality inspections. The bill goes next to the Appropriations Committee.

### Subcommittee action:

Feb. 21: Small Business subcommittee heard testimony on HF1373 (Ogren, DFL-Aitkin), prompt payment bill.



## Education

**“I**t’s clear the cooperative spirit is growing. Communities of interest are developing around many areas of the state as groups of AVTIs plan together and with community colleges to streamline their programs and services,” said Nancy Wangen from the State Planning Agency at a Feb. 22 Education Committee meeting.

Wangen said AVTI’s and community colleges are following a 1983 legislative mandate to the two systems to work out cooperative agreement plans to enhance program offerings, avoid duplication, and reach the best possible use of facilities and staff.

Archie Chelseth and Dave Longanecker from the Higher Education Coordinating Board (HECB) that oversees the cooperative plan development, said they give the two systems “A +” on the plans.

Proposals for strengthening post-secondary admission requirements in AVTIs, community colleges, state colleges, and the U of M got less favorable marks from the HECB and several committee members on evaluation and admission procedures provisions in last session’s omnibus school finance bill.

Part of that bill required post secondary schools to evaluate and find ways to make admission requirements more stringent. But officials for the post secondary systems say stricter admission requirements conflict with mission statements that encourage open access policies for potential students.

Ken Keller, vice president for academic affairs for the U of M, told members the U of M has some of the highest ranking incoming freshmen and strictest admission policies, especially for the

Institute of Technology, the College of Liberal Arts, and the College of Agriculture. But admission requirements are lower for colleges such as Forestry, and Home Economics, because they’re the only colleges in the state offering certain programs and, therefore, must be accessible to more students. Keller says despite lower admission requirements such colleges still receive top-level academic incoming freshmen.

Post-secondary systems say they’re encouraging better academic performance from students in ways other than stricter admission standards. Banning Hanscom, from the community college system, says community colleges are cracking down on suspension policies and using system-wide procedures for suspending students whose grades fall below requirements.

## Education Finance Division

**S**chool districts may get additional money to pay for experienced and well-trained teachers under a proposal Rep. John Tomlinson (DFL-St. Paul) presented to the Education Finance Division Feb. 7.

“This is an exact identification of the cost difference for two districts with different training and experience factors for their teachers,” said Tomlinson. His proposal would alter the formula for state aid districts get to pay higher-salaried teachers with more experience or graduate-level training. Tomlinson says the new formula would better evaluate training and experience factors.

The division also heard testimony on financial problems certain districts say they face from 1983 Legislative changes in district levying authority and changes in cash flow of state aids and credits.

Previously, school districts with large amounts of cash on hand could invest the funds and use the interest income. But law limits on fund balances and changes in payments schedules to schools have reduced interest income for some districts.

A new system of metered state-aid payments caused some districts to borrow ahead to meet expenses, especially in winter and spring.

And they pay interest on the loans, says Mike Sullivan representing the Minnesota Association of School Business Officials. For some, the cash-flow changes and fund investment limits present a "double whammy," he says.

School districts and legislators are looking into district pooling of temporary funds to get higher investment returns. Sullivan says this would help smaller districts with fewer individual investment dollars and may cut administrative expenses, too.

Last on the agenda was a proposal to remove referendum levies from the aids-reduction part of the property tax revenue recognition shift. The division recommended including the amendment in HF1393 (Nelson, DFL-Mpls), the division's 1984 omnibus bill.

**T**he Education Finance Division continued to hear and approve amendments to the 1984 omnibus bill at a Feb. 20 mini-session meeting. HF1390 (Bergstrom, DFL-Big Lake), amended into HF1393 (Nelson, DFL-Mpls), would allow Independent School District 727 to use proceeds from real property sales to buy or construct classrooms. The division approved two amendments to the bill, one from Rep. David Jennings (IR-Truman) which would apply the law to districts statewide; and another from Rep. Gary Schafer (IR-Gibbon), broadening the provisions of proceed expenditures to include general building improvements.

Other amendments to HF1393 are:

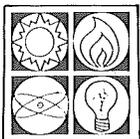
- HF1394 (Peterson, DFL-Princeton), a bill changing state aid adjustments to coincide with certain districts' audited statements
- eliminating a duplicate levy provision for transportation liability insurance
- allowing a substitute hearing officer in special education placement appeals to the commissioner of education if there's a question of commissioner impartiality
- removing obsolete statute language on assessment credits and extended leave reporting

**T**o make up for proposed elimination of the 10 percent income tax surcharge, increase the budget reserve, make improvements to buildings, and adjust for a predicted early-1985 recession, the governor has proposed a \$401 million budget package for the 1984 Legislature. Feb. 22 Jay Kiedrowski, Department of Finance, told Education Finance Division members what that means for schools.

"The fiscal year '86 school aids budget provides an inflationary factor for districts, ensures stability with a budget reserve by not promising more than we can deliver in '86, and if the situation looks better than expected in the early months of '85, we then could look at using money that might occur.

"Our approach is not promising money we have uncertainty about delivering, to make the minimum promises we can afford, and then come back in the '85 Legislature and look at the situation. It's our best guess at the present time, said Kiedrowski.

Commissioner Ruth Randall outlined specific items in the supplemental budget proposal that would restore summer school aid for academic courses, establish the foundation aid formula for fiscal year '86 upcoming budget, support a task force on a school for the arts, fund three more technology demonstration sites, and establish planning grants for Excellence in Learning programs in schools.



## Energy

### Subcommittee action:

**Feb. 21: Energy and Economics/Energy subcommittee met for clarification of statutes regarding the average retail energy rate for small producers.**  
end



## Environment & Natural Resources

**A**lthough Minnesota rates as a leader in the nation in environmental protection, the state still faces problems in acid rain, hazardous waste disposal, groundwater contamination and solid waste disposal.

Sandra S. Gardebring, director of Minnesota Pollution Control Agency, told legislators Feb. 22 that a study by a national conservation group last year also showed that tough environmental regulations do not drive industries away to states with fewer restrictions.

Environmental hazards, however, can imperil Minnesota's economy, which depends largely on agriculture, tourism and forestry, she said. Acid rain poses the major threat, Gardebring said in a "State of the Environment" message she delivered to a joint meeting of the House Environment and Natural Resources Committee and the Senate Agriculture and Natural Resources Committee.

Gardebring cited a recent study showing that at the first sign of acidification, the Boundary Waters Canoe Area could lose about \$40 million yearly. Additionally, about eight million acres of the state's forests, peatlands, and watersheds are sensitive to acid rain.

Minnesota needs to reduce by half the amount of sulfur oxides going into the air, but "we cannot stop acid rain by ourselves...national action is needed, and it is needed now," Gardebring said.



## Governmental Operations

**“T**he Department of Human Rights is not operating well,” Steve Belton, chairman of the Governor’s Blue Ribbon Task Force on Human Rights, told the House Governmental Operations Committee in a Feb. 21 meeting.

According to Belton, the governor appointed the task force to respond to public and legislative concern over the backlog of cases in the Department. A three-to-five-year wait is not uncommon the task force found, and December 1983’s caseload consisted of 2,237 open cases that were over a year old.

But the backlog is only the beginning. Belton said the task force found a department with morale problems, top-heavy with managers and administrators, poorly organized, and without a formal set of rules to put cases in an order that allows for fair and prompt-as-possible handling.

Other problems the task force reports are lack of information to the public about rights and responsibilities under the Human Rights Act, limited departmental resources, and lack of managerial experience.

### Recommendations:

The task force recommends placing strong emphasis on qualifications of the commissioner; developing an education, outreach, and prevention program; screening and weighting cases to set priorities; referring more cases to local human rights commissioners; allowing the charging party easier access to hearing examiners; increasing access to citizens of greater Minnesota; and requiring compensation of three times the compensatory damages, plus actual damages.

Two Minnesota congressmen, Sen. Dave Durenberger and Rep. Gerry Sikorski, have sponsored acid rain bills, she told legislators.

Hazardous and solid waste disposal problems in the state also need continual cleanup and alternatives to land disposal, she said. Experts have linked hazardous waste to groundwater contamination at 61 sites throughout the state, and solid waste disposal poses additional threat, Gardebring said. Trash management always has adopted the method to “throw it away,” she said, “and now there is no more ‘away.’”

### Subcommittee action:

**Feb. 21:** Game and Fish subcommittee met at New Prague City Hall and heard a presentation on the state’s pheasant population. The subcommittee also discussed various fish and game issues.

**Feb. 21:** Environment subcommittee recommended to pass as amended and sent onto the full committee HF1361 (D. Nelson, DFL-Champlin). The bill would impose on landfill operators a \$3-per-ton fee, which would fund plans for alternatives to landfill disposal of solid waste and resource recovery.

**Feb. 23:** Environment subcommittee heard testimony from more than 30 witnesses on HF865 (K. Clark, DFL-Minneapolis), which would require companies working with hazardous materials to disclose an inventory of substances.

## Problems aren’t new

“Some of the problems aren’t new,” said Kathryn Roberts from the Department of Administration.

In its investigation, Roberts said the Administration Department found factors which contributed to the backlog problem are: greater demand for coverage under the Human Rights Act; increased public awareness of the Act, and an increase in the number of charges people file; and an organizational structure which has had more people in management or support positions than in investigative.

## Changes are coming

Roberts said the Administration and Human Rights Departments have developed change strategies for DHR which include: closing those cases that are nearly complete; more evenly distributing the workload, clarifying responsibility, and increasing accountability; and more efficiently processing cases.

Commenting on the current status of the Department, Roberts says, “There’s no doubt the Department feels it’s been under siege, and no matter what it does it’s probably not right.” But Roberts says changes have begun in the Department, and the staff is experiencing renewed energy.



## Health & Welfare

**M**embers of the Health & Welfare Committee met Feb. 21 to hear a Health Department report on the Certificate of Need (CON) program the state adopted in 1971 due to expire June 30, 1984. Under the program health-care facilities can’t proceed with building projects unless the Health Department reviews their requests and grants Certificates of Need or waives that requirement.

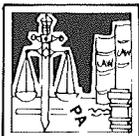
According to the report, the Department’s denied only 9 of 368 CONs facilities asked for since the program began. However, the Department negotiated changes with facilities or discouraged projects without actually denying requests.

The Department denied or discouraged nearly 20 percent of all new bed construction and has kept program administrative costs down. Also, Mary Ann Miller, who presented the report, said statistics do not back up claims of undue delays for many projects. The biggest impact of the program, she said, has been on nursing homes.

Jim Simpson, Western Consortium for Continuing Education for Health Professionals, speaking for the Department, recommended options to increase competitiveness in health facilities. He said lawmakers should recognize certain limitations, avoid protectionism, encourage innovative ways to deliver health care, encourage efficient hospital staff management and recruitment programs, monitor the health care marketplace, conduct medical practice reviews, and make sure doctors and hospitals can work out cost-containment agreements without interference from regulations.

### **Subcommittee action:**

**Feb. 22: Health Care subcommittee heard testimony on licensing of human services professionals and reinstating a restructured Manpower Credentialing Office within the Health Department.**



## **Judiciary**

**I**n its Feb. 20 meeting, the Judiciary Committee considered legislation on theft of firearms, sentencing guidelines changes, missing children, and child abuse issues the Criminal Justice Division approved in past mini-sessions.

HF1304 (Clark, J., DFL-Mpls), which the committee recommended to pass, would increase the penalty for stealing a firearm, regardless of its value, and for receiving or possessing a firearm which the person knows, or has reason to know, is stolen. (See January mini-session.)

The committee also recommended to pass HF1347 (Segal, DFL-St. Louis Park) and HF1279 (Levi, IR-Dellwood).

HF1347 would make taking, keeping, or concealing a child from its other parent, stepparent, or legal guardian, with intent to deprive the other of his/her rights to the child, a one-year felony offense. Current law provides a 14-day waiting period before the offense becomes a felony and child-locator services become available. During the 14-day period the offense is a misdemeanor. (See January mini-session.)

HF1279 would make changes to laws relating to sexual misconduct and crimes against children, and make it easier to prosecute people who sexually abuse children. The bill would:

- clarify that contributing to a child's status as a habitual truant, runaway, or petty offender is a misdemeanor offense.

- extend current law to allow any out-of-court statement children under 10 years old make about any sexual contact someone performs on or with them admissible evidence in court if: the court finds the statement reliable; the child testifies at the proceedings, or is legally unavailable as a witness and other evidence of abuse is available; and if the other party gets advance notice of the statement and its contents. The second provision, testimony from the child or other evidence to support the statement, isn't necessary in juvenile court cases of dependency, neglect, or termination of parental rights.

- make it a crime for adults to engage in sexual penetration or contact with 16 to 18-year-old youths, with or without their consent. Current law already pertains to those under 16.

- clarify some definitions and penalties, and extend certain provisions in current law relating to sexual abuse of children.

The committee heard and rescheduled until March 5, HF1382 (Bishop, IR-Rochester). The legislation would make changes in the sentencing guidelines law. (See January mini-session.)

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## **Criminal Justice Division**

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**C**ourts, parents, and social service agencies have the authority to place mentally ill or emotionally disturbed children in institutions where they feel the adolescents can get help. Even if a placement is involuntary on the part of children, it may be voluntary on the part of the parents, who may place children in institutions for psychiatric treatment without going through the courts.

In a Feb. 22 meeting of the Criminal Justice Division, members heard from authorities who work in the area of civil juvenile commitment on some of the problems they see in placement practices, and in the area of parental rights versus due process for juveniles in cases of voluntary placement.

### **Problems and recommendations**

Chuck Fields, a psychologist from the Minnesota Learning Center, a residential treatment center in Brainerd, testified on problems that get in the way of effective treatment of juveniles.

According to Fields, multiple placements of juveniles make them hard to treat, and unawareness of the different

treatment services by courts and social workers sometimes cause them to place children in programs that aren't appropriate to the children's needs.

Fields says more treatment options are necessary to meet the needs of juveniles in placement, as is a faster means of getting juveniles into treatment that also provides protection for adolescent rights.

### Parental versus children's rights

Judge Allen Oleisky from Hennepin County said, "We could spend the whole rest of the day debating parental rights and due process for the children."

Ira Schwartz, a senior fellow at the Humphrey Institute, said he knows of parents who voluntarily committed their daughter to a facility against her will, and perhaps without strong reason. "We need to know more about who the kids are that go into these programs, how they get there, and whether or not the care is appropriate," said Schwartz.

Ramsey County Judge George Petersen says he's concerned about "losing children through the cracks," that is, the oversight of children who are under the care of people other than their parents. "Of the 25,000 children placed out of the home in 1981, over half were placed by someone other than the juvenile courts."

"We do a mechanism," said Petersen, "that will assure protection for the child in cases where out-of-home placement isn't subject to the court's scrutiny."

The division agreed to continue hearing the issue, and recommended two bills, HF1524 and HF1428, for passage to the full Judiciary Committee.

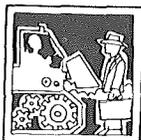
HF1524 (Ogren, DFL-Aitkin) would broaden current law which permits claims against the state for prison inmates, and other convicted people, killed or injured while working as a condition of release or sentence.

HF1428 (Bishop, IR-Rochester) would require local law enforcement agencies to conduct a preliminary investigation, when they get a missing child report, to determine whether the child is missing. If authorities determine the child is missing, the bill would require them to immediately put descriptive information about the child into the national crime information computer.

### Subcommittee action:

**Feb. 22: Judicial Administration subcommittee recommended to pass two Court of Appeals housekeeping bills, HF1504 (Vanasek, DFL-New Prague) and HF1486 (Clawson, DFL-Lindstrom), which passed as amended.**

**Feb. 22: Law Reform subcommittee recommended to pass HF229 (Clark, K., DFL-Mpls), to allow any interested person to seek enforcement of certain patient rights; and heard and amended HF1407 (Voss, DFL-Blaine) relating to nonjudicial resolution of disputes.**



## Labor-Management Relations

**M**embers of AFL-CIO Hotel and Restaurant Employees Union, Local 17, told

the Labor and Management Relations Committee that the tip-credit provision in the state's minimum wage law lets employers pay waitresses and waiters less than minimum wage. They say the law, which allows restaurant owners to pay waitresses and waiters 80 percent of minimum wage if they get more than \$35 a month in tips, subsidizes restaurants and supports poverty-line living levels for waiters and waitresses.

Union testimony came at a Jan. 9 committee meeting looking at HF347 (St. Onge, DFL-Bemidji), a bill that would take tip credits out of Minnesota's minimum wage law and require management to pay waiters and waitresses minimum wage regardless of the amount of tips they get.

Charles Curren, accounting director, Department of Labor and Industry, is for the bill. He says tip credit causes confusion for employers and employees, is difficult to enforce, and expensive for the state to administer.

At a later meeting Feb 20, restaurant owners and related industries had their say. By law, they have to make up the difference if an employee's tip income falls below the \$35-a-month standard the law sets. They say, too, that a down economy has meant less business for restaurants. Owners are afraid their business will fold if they have to pay more out in wages.

The committee and witnesses discussed whether mandatory service charges to customers that would do away with tipping or higher prices for meals would be the answer. Metropolitan-area restaurant owners say service charges offend customers. However, one northern Minnesota resort owner's representative said that charges would be necessary if HF347 becomes law.

Rep. Joseph Begich (DFL-Eveleth), chairman of the committee, said the committee will hear more testimony on the tip credit law when the legislative session begins March 6.



## Local & Urban Affairs

**R**ep. Virgil Johnson (IR, Caledonia), author of HF 1381, asked the Local and Urban Affairs Committee to delay action on the bill which would remove city and county residency requirements for library board appointees.

Johnson said he will present the proposal later as a local bill, or as an amendment to HF1381 so the city of Caledonia would be exempt from the residency requirements.

Also, at its Feb. 20 meeting, the committee recommended HF1436 (Anderson, R. IR-Ottertail) to pass. The bill authorizes the Otter Tail Board of County Commissioners to sell a county-operated former juvenile female group home without advertising for bids.

### Subcommittee action:

**Feb 21: Physical and Economic Development subcommittee laid over HF1414 (Rodriguez, C., DFL-Apple Valley) after adopting a "strike everything" amendment. HF1414 would create a legislative commission on metropolitan affairs to oversee metropolitan area agencies and activities.**

## State-Local Fiscal Affairs Division

**M**embers of the State-Local Affairs Division approved a bill Feb. 23 that would restore state aid to 231 towns, which lost funding under a 1983 law.

The bill, HF1379 (Sparby, DFL-Thief River Falls), lowers the present mill rate qualification from an average rate of two mills over a three-year period to one mill in the same period.

### Legislation reduced aid

Legislators last May set the higher mill rate in determining which towns qualified for state aid. Before that legislation, which reduced each town's aid to half of

1983's amount, Minnesota based the aid to each town on what it received the year before.

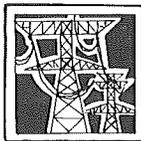
The proposed bill would restore local aid to the 231 towns at the 50 percent level at a cost of about \$350,000 this year, according to David Fricke, executive director of Minnesota Association of Townships. The one-mill cutoff line leaves 48 towns ineligible for state aid.

In order to qualify for state aid, some towns have raised taxes, Fricke said. Rep. William Schreiber (IR-Brooklyn Park) said the formula seems to encourage towns to "go out and see how much money you can levy, then the state will come and give you some aid...what you're doing is buying off some communities."

Division members recommended the bill to pass as amended. It goes next to the full Local and Urban Affairs Committee.

### Published notices

Members also discussed and adopted an amendment to HF1302 (Clawson, DFL-Lindstrom), which would reform laws governing the publication of legal and public notices. The bill would eliminate some outdated requirements and establish uniform publication requirements. It also would require local governments to publish summaries of city council meetings and summaries of budget statements.



## Regulated Industries

**"I**t's clear we should have our hat in the ring for a Superbowl in the Twin Cities, and I've felt a groundswell of support of one," said Marilyn Nelson who chairs the Governor's Superbowl Task Force. "It would be good for us economically, good for us psychologically, and it would be fun."

But to get a Superbowl in Minnesota, legislators may have to remove the television blackout rule requiring 90 percent advance ticket sales to televise a local major league game in the metro area. Nelson told members of the Regulated Industries Committee Feb. 20 that the NFL will look more favorably at the Twin Cities as a possible site if they remove the restriction.

"There's a long list of requisites for a Superbowl city. We have now fulfilled virtually all the requirements such as guarantees for rooms and limousines. We've fulfilled all the requirements, but implicit in our bid is the fact that all those whose bids are taken seriously must in fact have a 100 percent blackout rule. If we have a 100 percent blackout rule, I'm very confident we will have a Superbowl, whether it's in 1988 or thereafter."

Several committee members say Minnesota already has a 100 percent blackout rule. If fans buy at least 90 percent of tickets, General Mills picks up the remainder to reach the 100 percent mark. General Mills has never had to buy tickets, because games are sell-outs with waiting lists. Members say they don't predict problems selling 90 or 100 percent of Superbowl tickets.

Still, Nelson says changing the rule will show Minnesota's good faith in bidding for the event. Rep. Joel Jacobs (DFL-Coon Rapids) presented a proposal for discussion purposes only that would repeal the blackout rule contingent on the NFL awarding the 1988 Superbowl to Minneapolis. Nelson's proposal would repeal the blackout entirely. The committee will continue discussion on both proposals.



## Taxes

**C**hanges in income tax reporting for non-residents, low-income residents and those with dependents are some of the proposals under a Department of Revenue Income Tax bill that would bring \$16.3 million in additional revenue in the next three years.

The bill, HF1528, brings Minnesota law in line with federal tax law changes and simplifies the state income tax returns, Dale Busacker, a Department of Revenue attorney, told members of the Taxes Committee Feb. 21.

Some of the proposed changes include:

- requiring non-residents and part-time residents to figure their income tax returns as if they were full-time residents. The tax would depend on how much of their total income comes from Minnesota. Current law bases non-resident taxes on Minnesota income. Because of the state's tax rate schedule, nonresidents would be paying higher taxes under this proposal, and the state would gain \$10 million per fiscal year in revenue
- replacing the low income alternative tax with a credit system based on one-half of the taxpayers' federal earned income credit. Federal law requires low-income people to have a dependent child to qualify for earned income credit, but current Minnesota law has no child requirement. Nearly 80 percent of taxpayers who qualify for the low income alternative tax now are single filers. Revenue loss from the proposed change is about \$800,000 yearly
- adopting the federal definition of dependents, which eliminates any dependent with at least \$1,000 income that year, except minors or students. About 60,000 Minnesotans would no longer

qualify as dependents under the proposed change, which would save the state \$3.8 million yearly

- rounding off the personal credit amount to the nearest zero or five. The change would cost about \$5.7 million in revenue loss by the end of fiscal year 1986
- restricting gasoline and special fuel tax refunds to farm or business "off-highway" use of the fuels. Current law allows tax refunds on almost any "off-highway" use (exceptions: motor vehicles, motorboats and snowmobiles). The proposed restriction, which conforms with federal law, would lower state refunds by about \$2 million a year—a sum that would go into the highway fund.

**N**early 78,000 Minnesota taxpayers and businesses will get a chance to settle old debts under the governor's tax amnesty plan, which would bring the state at least \$1 million in additional revenue next year.

The aim of the proposal, one of several in the governor's tax bill, is to collect the smaller delinquent accounts, Arthur Roemer, revenue commissioner, told the Taxes Committee Feb. 23.

Under the plan, delinquent taxpayers would pay 80 percent of the amount they owed, plus any interest or penalty assessed after Feb. 1, 1984. The 20 percent deduction could not exceed \$1,000.

A separate but related proposal would set up a tax clearance system, and people who fail to pay back overdue taxes during the proposed amnesty periods from July 1 to Sept. 30 would be ineligible for state and local business, trade, and professional license renewals if they could not produce a tax clearance statement showing that all delinquent taxes have been paid.

According to Roemer, 77,446 individuals and businesses in Minnesota owe back taxes totaling more than \$174 million. Three-fourths of the delinquents owe less than \$1,000 each.

The governor also proposes to:

- repeal the 10 percent income tax surcharge on July 1, a measure that would cost the state \$225 million in lost revenue. Tom Triplett, state planning director, told committee members that the

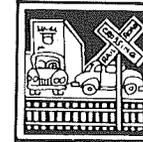
governor believes Minnesota's personal income tax rate—fourth highest nationally—needs reduction more than the state's property tax system, which ranks 20th nationally

- increase the state's budget reserve by \$125 million, from \$250 million to \$375 million
- provide more than \$6.6 million to fund the Duluth enterprise zone
- grant tax incentives to encourage international trade
- repeal the unitary tax, which taxes Minnesota companies on their earnings from out-of-state subsidiaries

### Subcommittee action:

**Feb. 21:** The Property Tax subcommittee of the Tax Laws Division heard from the Minnesota Association of Assessing Officers on its suggestions for simplifying the property tax system and their possible effects.

**Feb. 23:** The Property Tax Policy and Administration subcommittee of the Tax Laws Division heard from Finance Commissioner Arthur Roemer on the effects of the tax court decision in the Soo Line Railroad case on state revenue and local governments.



## Transportation

**S**ome Minnesota car drivers and passengers may have to buckle up or pay up if a bill the Transportation Committee recommended to pass on Feb. 22 becomes law.

Rep. Carolyn Rodriguez (DFL-Apple Valley), sponsor of the seat belt bill, HF305, says, "If a driver is stopped by a police officer and s/he is not wearing a seat belt, the officer would issue a hazardous warning stressing the importance of seat belt protection. However, if the driver has a conditional license, a license issued for a five-year period for chargeable traffic violations, requirements would make it a petty misdemeanor for failure of these drivers to use seat belts."

The bill would also require drivers under age 19, those driving on learners' permits, and passengers 16 or younger riding in the front seat with these drivers to wear seat belts.

# Other Meetings

## December

- **State Compensation Council, Dec. 1**, State Capitol: Heard presentation by secretary of state's office and a report from the state auditor on personnel systems in other states. Passed final recommendation on salaries for legislators, judges, and constitutional officers.
- **District Heating Task Force, Dec. 6 and 7**, in Hibbing, Virginia, and Ely: Informational meeting and tour of district heating facilities.
- **Governor's Council on Affirmative Action, Dec. 7**, Space Center Building: Completed orientation to state personnel and affirmative action programs.
- **Anoka County Legislative Delegation, Dec. 8**, State Office Building: Informational meeting on the development of a horse racing facility in Anoka County, City of Blaine.
- **State Compensation Council, Dec. 9**, State Capitol: Consideration of salary plan for judges, constitutional officers, and legislators.
- **Select Committee on Livestock Weighing, Dec. 14**, St. Cloud, MN: Public testimony on livestock weighing.
- **Joint Legislative Committee on Agricultural Land Preservation and Conservation, Dec. 14**, State Capitol: Heard testimony on elements of high priority on agricultural land preservation and soil conservation that could, or should be, in 1984 legislation.

## January

- **State Compensation Council, Jan. 6**, State Capitol: Discussion of recommendations to the Legislature: per diem, state compensation system, statement within the law that the Council will reconvene each year, consolidation of constitutional offices, and higher compensation for leadership than for members of the Legislature.
- **Joint Select Legislative Committee on Forestry—Forestry Tax subcommittee, Jan. 9**, State Capitol: Heard reports from the forestry tax advisory committee and the University of Minnesota study on forestry taxation. Heard presentation by Revenue Department on current forestry taxes and discussed issues that need study.
- **Fiber Fuels Task Force, Jan. 10**, State Office Building: Discussion of market development of fiber fuels.
- **St. Paul Legislative Delegation, Jan. 10**, State Office Building: Continuation of discussion with representatives of the St. Paul School District regarding the impact of recent legislation on the school district, the financial stability of the school district given recent legislation, and the impact of property taxes in St. Paul.
- **Joint Select Committee on Livestock Weighing, Jan. 11**, Worthington: Tour of stock weighing station and public hearing on livestock weighing.
- **Jan. 18**, South St. Paul: Tour of South St. Paul stock weighing station.
- **Jan. 25**, Capitol: Recommendation to the Legislature on optimum methods of livestock weighing (Ch. 290 requirement).
- **District Heating Task Force, Jan. 17**, in Fairmont, New Ulm, and Sleepy Eye: Informational meeting and tour of district heating facilities.
- **Joint Legislative Committee on Agricultural Land Preservation & Conservation, Jan. 25**, Capitol: Testimony on the LESA program, John Edwards, USDA Soil Conservation Service; Growth Management Study Survey, Steve Reckers, Intergovernmental Division, State Planning Agency; discussion of recommendations to the Legislature.
- **The Governor's Council on Affirmative Action, Jan. 27**, Space Center Building: Testimony from the Statewide Affirmative Action Committee, the Minneapolis Urban League, and a discussion of public hearings: mechanics and alternatives, and solicitation of testimony.

# When the phone rings

photo by Paul Battaglia



by Jackie  
Wegleitner  
Intern from College  
of St. Thomas

When the phone rings, it sounds the same. You pick it up; it feels the same. The person on the other end responds the same. Then what's all the fuss we're hearing about the telephone?

All you've noticed that's different is that you're getting two bills, one from AT&T and one from Northwestern Bell. But, much more than your telephone bill is changing.

It all started in the 1960s with increased demands by potential telephone competitors who wanted to break into the Bell System's monopoly. The Federal Communications Commission (FCC) has now decided that letting in competition would give the public more telecommunication choices and would develop telephone services faster.

## Effects on telephone rates

It's true that we now have more alternatives in long distance services, but how will this affect our telephone bills?

In the past, to keep local service rates down, Bell systems overcharged people for long-distance calls in an effort to keep

local service at a rate everyone could afford.

Now, as competition lowers long distance rates, it will also force residential rates up as much as 225 percent over the next six years, says Larry Ware, general manager of Garden Valley Telephone Cooperative.

A spokesman for AT&T warns against public panic. He says increases will not come all at once. They'll come in steps, and, for rural users of larger services, he doesn't see increases going as high as 225 percent.

Also, the FCC ruled an access charge could go into effect Jan. 1, 1984, a date the commission has since moved to July, 1985. The access charge is a "new" charge that we, as customers, used to pay in higher long distance rates. It covers money phone companies now lose because of lowered long distance rates. For us it will be like paying for the privilege of picking up our phone.

The expected access rate will be \$2 for residential service and up to \$6 for businesses. It will increase annually and reach a maximum rate over the years.

## Universal service policy

The telephone industry's universal service policy has been to give quality service to almost everyone in the United States at a reasonable cost, which means over 96 percent of all American households can have a phone.

The question is how to provide universal service during the changeover to deregulation, says Roger Herdt director of governmental affairs for the United Telephone Company.

## Universal service and rural areas

One threat to the universal service policy is the question of how far up residential and exchange rates can go before people can't afford the telephone. Higher rates will hit rural areas hardest, because metro areas will no longer contribute to rural area rates. In rural areas costs are higher due to distance factors that require more cable, poles, and equipment. "I'm very concerned that telephone service may become too expensive for many rural customers," says Ware.

## Business bypassing and local rates

Large business customers may choose to use another service for local or long distance calls, bypassing local telephone companies.

But, widespread bypassing also threatens universal service, because if many businesses bypass the local telephone company, the company will have to spread costs of plant maintenance and service among fewer customers, thus causing higher rates.

## Ways to pay less

There are some ways to keep telephone bills down:

- Buying your own phone can save you money in the long run on monthly rental fees. But if something goes wrong with the phone, you'll be responsible for the cost of repairs.
- Buying long distance from another service might save you money if you make a lot of long distance phone calls, but look carefully into the service before you purchase one.
- Look into Local Measured Service (LMS). LMS is a two-part payment plan. Customers pay a small flat monthly fee for access to the telephone network for outgoing calls over a certain specified number. The company charges per call. The phone company usually bases that

charge on the length of the call, time of day, and distance over which the local call travels.

- The yellow pages list other alternatives that may also save you money.

Northwestern Bell suggests that we all take a serious look at the alternatives and decide what will work best for our individual needs.

See also Regulated Industries p. 24.

photo by Paul Battaglia



Phone users can choose to plug in own-it-yourself phones, instead of renting them from the phone company

# Home is where the heating bills are

by Linda Rosati, Intern from College of St. Catherine



"...Clear and cold today. Temperatures dropping to 23 below...," says the weather forecast. You shiver. You can't wait to get home. To warm up. To forget about the cold that's gripped Minnesota this winter. Finally, you're home. And it's nice.

But home is where the heating bills are, making it less than nice for people who can't afford to make their homes really comfortable, or comfortable at all, because the cost of major fuels has climbed up and up over the past 10 years—oil 426 percent, natural gas 412 percent, and electricity 176 percent. They can't keep up with rising prices.

Back bills pile up. They turn down their thermostats to save on heat, but for thousands of Minnesotans, every year, the bills get too big to pay.

## Attempts to solve the problem

The Minnesota COACT (Citizens Organizations Acting Together) had developed a "fair share" plan to prevent heat shutoffs and refusals to deliver fuel to low-income households that pay a fixed percent of income—a "fair share"—to the suppliers of their heating fuel.

In the 1983 session, Rep. Karen Clark (DFL-Mpls) introduced the fair share plan in HF817 which the House Regulated Industries Committee tabled in April 1983.

## Governor appoints task force.

In the summer of 1983, the Governor's Task Force on Utility Shut-Offs began



working on the problem. The task force represents a variety of viewpoints, including those of officials from regulated industries, state agencies, and low-income citizens.

The task force reported in November 1983 that, according to Minnesota's Department of Energy and Economic Development (DEED), low-income Minnesotans pay an average of 30 percent of annual household income for total home energy costs (cooking, hot water, electricity, and heating) and 15 percent for space heating (heat only).

Also, an elderly Minnesotan living alone, getting maximum monthly Supplemental Security Income payments (\$319) spent an average of 52 percent of that income on home energy bills during December, January, and February of last winter. That left only \$36 a week for all other expenses. An average Minnesotan getting

the average monthly unemployment payment of \$570 had \$94 a week left for other necessities.

## **Minnesota adopts "cold weather rule"**

Minnesota's Public Utilities Commission (PUC) adopted the "cold weather rule" forbidding regulated utilities to disconnect households between Oct. 15 and April 15 if they were current on their bills as of Oct. 15. The rule doesn't protect customers of municipals, co-operatives, and private fuel vendors. But COACT says, because PUC has no jurisdiction over non-regulated energy vendors, the cold weather rule by itself is not a solution to the shutoff problem.

## **Federal and state programs**

In 1979, Congress approved funding for the Low Income Home Energy Assistance Program (LIHEAP). In Minnesota, the program is the Energy Assistance Program (EAP) which the Department of Economic Security administers.

But EAP makes no attempt to prohibit a shutoff under any circumstances. It is a federally funded assistance program only. Also, the Department of Economic Security (DES) doesn't spend all the LIHEAP money on energy assistance. DES transfers several millions each year to other programs such as weatherization and other federal block grants.

Even with these sizable transfers, DES has ended the last four fiscal years with a cumulative total of \$22 million of unspent EAP funds. Part of the reason is that the Department of Economic Security doesn't know until November of each year how much money Congress is going to appropriate for the next fiscal year. Neither can they predict if winter weather will be mild or severely cold.

## **Cautious budgeting: good or bad?**

The Department claims it's better to plan conservatively and have money left over than to plan liberally, "overobligate" funds, and turn down people who apply late in the heating season.

COACT and the governor's task force believe that DES's cautious budgeting has not only aggravated the shutoff problem by restricting grant sizes, but it has led to congressional reluctance to increase energy assistance funds. It may even cause a cut in LIHEAP funding.

## Mini-session subcommittee looks at the problem

According to the proposal Minnesota COACT prepared Jan. 3, 1984, the fair share plan would "correct the major defects of the EAP program. It would guarantee service to households paying a fixed portion of income to the vendor. And it would require the expenditure of all EAP funds on energy assistance."

At a subcommittee on Energy and Society meeting, Jan. 11, 1984, Ruth Ann Wefald, assistant commissioner for the Department of Economic Security, said, "The early indications are that record numbers of households are applying for assistance."

Wefald said approximately 10,000 households may be applying for assistance above and beyond those households that had help last year.

## Task force recommendations

Chuck Smith, COACT treasurer, reviewing the governor's task force report for the subcommittee said studies have shown that the average U.S. middle-income household pays 5 percent of income for home energy bills while the low-income households pay 19 percent or more.

The task force recommends, "No low-income Minnesota household shall be threatened with energy shutoff or cutoff provided that it pays a fraction of its income for total home energy comparable to the fraction that middle-income

households pay, approximately 5 percent."

Concerning back bills, the task force recommends that the customer and "third parties" pay off the back bill over a year's time. The customer would pay 2 percent of income toward the bill for one year. The rest, parties such as EAP, the utilities (such as Minnegasco's Heat Share program), or AFDC emergency assistance would pay. The task force didn't spell out details.

Summing up for COACT, Smith said, "You cannot have a necessity of life rise five and six times in a decade without forcing thousands of households to make the drastic choice of paying for that necessity or giving it up in order to buy some other necessity."

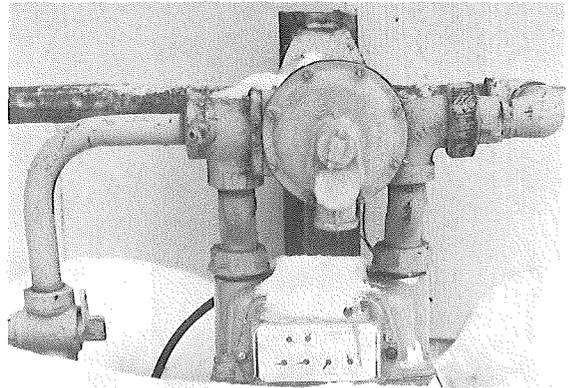
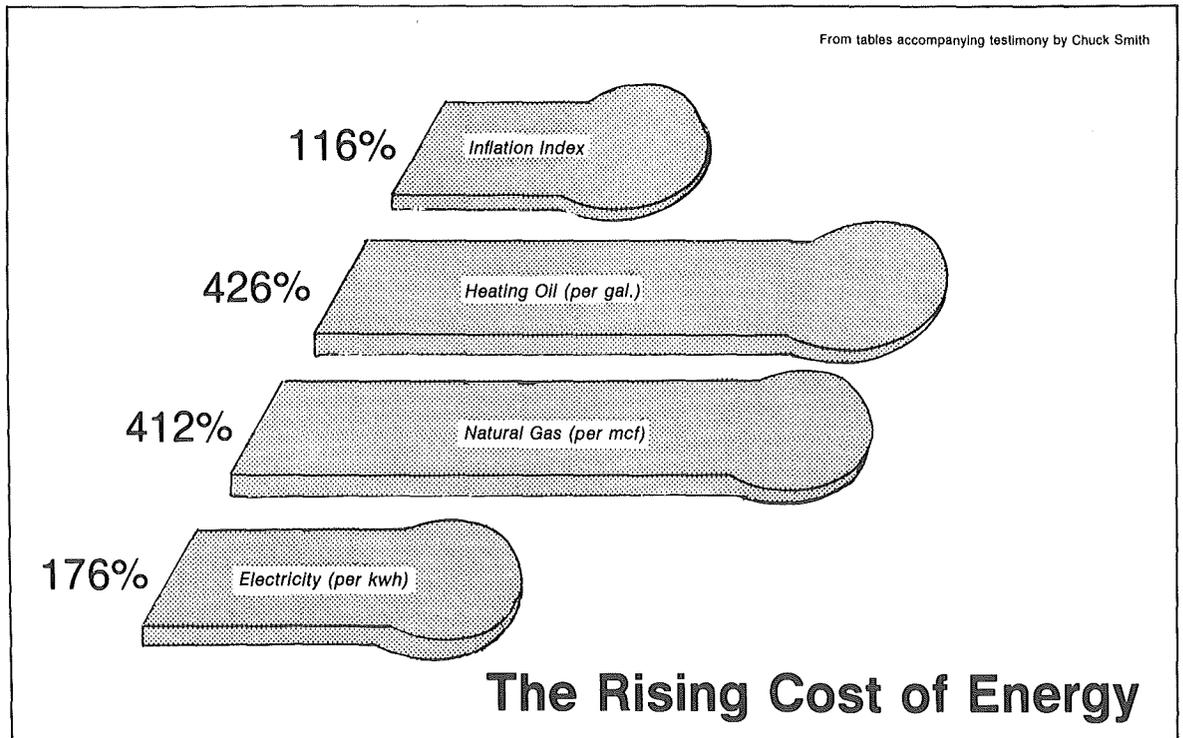


photo by Tom Omscheid

Hardly visible in deep snow an outdoor meter records indoor use of home heating fuel.





Miscellaneous campaign buttons  
(Rep. John Clawson's collection)

## Politics and People

*"All that is necessary for the triumph of evil is that good men do nothing."  
—Edmund Burke, philosopher and politician*

by Nancy J. Miller

Politics is a job open to everyone. A first step in is one that any of us can take—attend our local precinct caucuses where we can have a say in grass-root decisions. Many political careers begin there, and for most politicians, a second occupation. They come from the ranks of farmers, business people, attorneys, teachers, and homemakers—a world of professions and industries.

Throughout history these citizens-turned-politicians have invited voters to join the political-government process in a variety of colorful ways. Present-day politicians, such as Rep. John Clawson (DFL-Lindstrom) and Rep. Mark Piepho (IR-Mankato), have a real interest in the history of this consuming activity that's become a part of their way of life. They search for, sort out, and collect campaign products of the past.

### Interest begins early

"Ever since I was a little kid I always thought politics was fun," says Piepho. "I remember my earliest involvement was in second grade, during

the Nixon-Kennedy election. My dad was a friend of Al Quie, and by the time the election was over, I had over a shoe box full of political buttons."

That same year Clawson began his career in collecting and politics.

"I started collecting during the 1960 Nixon-Kennedy race when I was a sophomore in high school. That was the first campaign I ever paid any attention to," says Clawson, a DFLer. "Interestingly enough, I collected more Nixon than Kennedy stuff. Then, in 1964, I collected Goldwater pieces, mostly buttons. Now I've got everything from a Goldwater lapel stuffer to a chest sash."

### Collectors join together

Clawson and Piepho belong to an organization which counts among its members other collectors of such political and governmental memorabilia.

Twice a year they get together to swap sashes and posters, ribbons and banners, and most of all, buttons. They're members of American Political

Item Collectors (APIC), an organization with a membership of 2,000 nationally, and 30 locally in Minnesota's Northstar Chapter.

"Two or three times a year, usually in May and October, we get together," says 10-year APIC veteran Roger Fischer, a political science instructor at the U of M, Duluth. "We talk, swap, and tell lies. Many of our members are politically active, and there've been some pretty lively arguments."

## Half of voters become collectors

Fischer estimates over half the voters in Minnesota are political item collectors. Almost everyone has a campaign button or two tucked away in a drawer.

"I couldn't guess how many collectors there are out there," says Fischer. "From the folks who really actively get out there and collect the stuff, to the folks who attend a precinct caucus or political rally. There's a fine line between being an active collector and a not-so-active one. It's not like duck hunting or trout fishing where you either do it or you don't."

APIC is also responsible for policing the hobby, according to Bill Heaney, an unofficial spokesman for the group. Members have established a collector's code of ethics and helped pass the "Hobby Protection Act," a law requiring specific language on reproductions of old pieces to avoid fraud. APIC publishes a national magazine, the *Keynoter*, under the guidance of Roger Fischer as editor. The magazine not only puts collectors in touch with one another around the country, but it educates people on political history, says Heaney.

## History's worth saving

Preserving political items is one of APIC's goals. They've begun working with the Minnesota Historical Society on a permanent collection.

"Political items are a document of our culture and the way political campaigns were waged," says Russell Fridley, Historical Society director. "And you can see their evolution from cloth ribbons, to wood, to metal, to tin. It shows you the increasing importance of the visual image in politics. They've become gaudier and brighter."

Public officials, their families, and a well-known St. Paul collector, Speed King Kelly, account for most of the Historical Society's memorabilia, says Hilary Toren, museum collections assistant. The collection includes ribbons from the 1824 Henry Clay and 1860 Lincoln campaigns, and modern day buttons with flashy photos of presidential hopefuls.

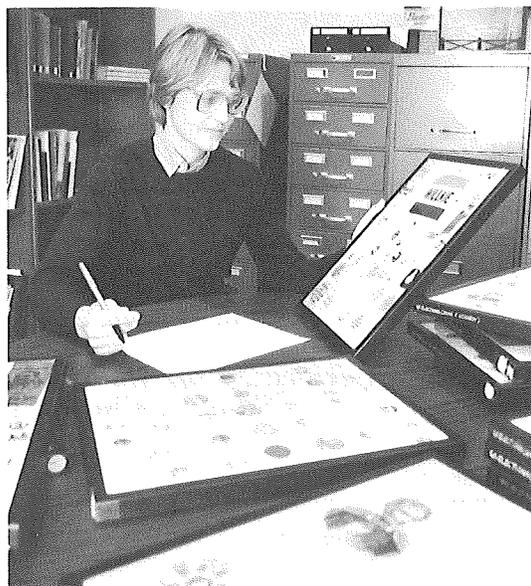


photo by Paul Battaglia

Hilary Toren, museum collections assistant at the Minnesota Historical Society, collects and catalogs political memorabilia



photo by Paul Battaglia

Buttons promote and attack potential first ladies

## Election year adds interest

In June, once the Legislative session is over and campaigns are well underway, collectors will meet to swap stories and items of the past.

"There's something to preserving part of the past. It's a tie to the past," says Clawson. "Besides, it's sort of a fun thing to do. We do enough heavy stuff in politics around here so that something frivolous like this is a welcome change."

photo by Paul Battaglia



**"Political items are a document of our culture and the way political campaigns are waged."—Russ Fridley, Historical Society director**

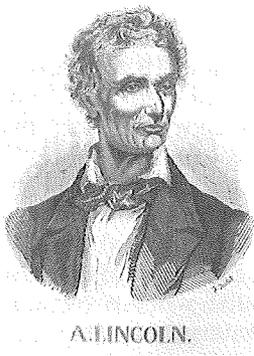


photo by Paul Battaglia

1860 Lincoln campaign ribbon

buttons courtesy of the Minnesota Historical Society

# Precinct Caucus Date Change

"Caucuses are still the grass root beginning of the election process and give citizens a chance to affect the policies and candidates chosen by their political party," says Secretary of State Joan Growe.

But, people who turned out for local caucus meetings in late February may have found locked doors unless they knew about a 1983 law that changed precinct caucus dates.

**Precinct caucuses meet the third Tuesday in March (March 20 in '84) instead of the fourth Tuesday in February. Starting time is still 8 pm.**

By law, most government and college meetings must end by 6 pm on caucus night to give voters time to travel to and get ready for caucuses.

"Precinct Caucuses in Minnesota", a pamphlet available from the Secretary of State's office, explains the precinct caucus date change. For one free copy or additional voter information write the Election Division, Office of the Secretary of State, 180 State Office Bldg., St. Paul, MN 55155.

# COMMISSIONS

**Commission on Economic Status of Women**  
**Jan. 9** discussed legislative issues...met **Jan. 24** heard presentation of Minnesota Women's Consortium Economic Action Plan...continued discussion of legislative issues.

**Highway Study Commission** **Dec. 9** heard state, county, township, and municipality officials' views on commission's duties...**Jan. 13** heard presentation on highway jurisdiction from Metropolitan Council.

**Legislative Commission on Education** **Dec. 9** heard reports on out-state hearings from commission's task forces...**Jan. 11** heard suggestions on and adopted mission statement.

**Legislative Commission on Employee Relations** **Jan. 31** met for approval of labor contracts.

**Legislative Commission on Long-Term Health Care** **Dec. 7** heard reports on quality assurance for long-term care, rental concept, rate equalization, and case mix study, and the Department of Welfare's Rule 50...**Jan. 19** heard testimony in Duluth, MN, from persons involved in long-term care in that area.

**Legislative Commission on Minnesota Resources** met **Dec. 19**...reviewed 1981 work program accomplishments and final status reports in areas of water planning; Land Management Information Center computer programs, land-monitoring systems, and public land records program; natural resources; and energy...**Jan. 4** heard final status reports on Department of Energy and Economic Development 1981 work program which included wind energy monitoring, solar performance monitoring, studying co-generation, and peat...heard reports on the Alternative Energy Development Study and a hydropower redevelopment project.

**Legislative Commission on Pensions and Retirement**...subcommittee on Buyback **Dec. 8**...heard a "Status Report" and discussed service credit buybacks...subcommittee on Benefit Adequacy **Dec. 19**...heard a memorandum on "More Materials on Benefits of Public and Private Pension Plans"...subcommittee on Buybacks **Dec. 20**...continued testimony and discussion on service credit buybacks, **Jan. 5** adopted recommendations to the full commission on laws governing purchase of prior service credit...heard a memorandum on "Examples of Calculations of Alternative Versions Requiring Payment of Full Actuarial Value"...full commission **Jan. 10** took up a Corrections Department proposal to place a chief cook in the MSRS pension plan...approved a motion to share fees for use of the Department of Finance computer system...considered HF912 (Sarna, DFL-Mpls) relating to payment of medicare B coverage for MSRS retirees.

### **Legislative Commission to Review**

**Administrative Rules Dec. 13** adopted resolution which requests the state fire marshal to allow day care providers 180 days to comply with certain inspection orders, and requests fire inspectors inform providers of certain rights...heard testimony on Department of Public Welfare, Departments of Health and Education, and state fire marshal rules affecting day care centers and nursery schools...**Jan. 20** heard testimony on a request to suspend a Department of Public Welfare temporary rule relating to reimbursement rates for intermediate care facilities for the mentally retarded (MCFMR), but took no action on the request.

### **Legislative Commission on Waste**

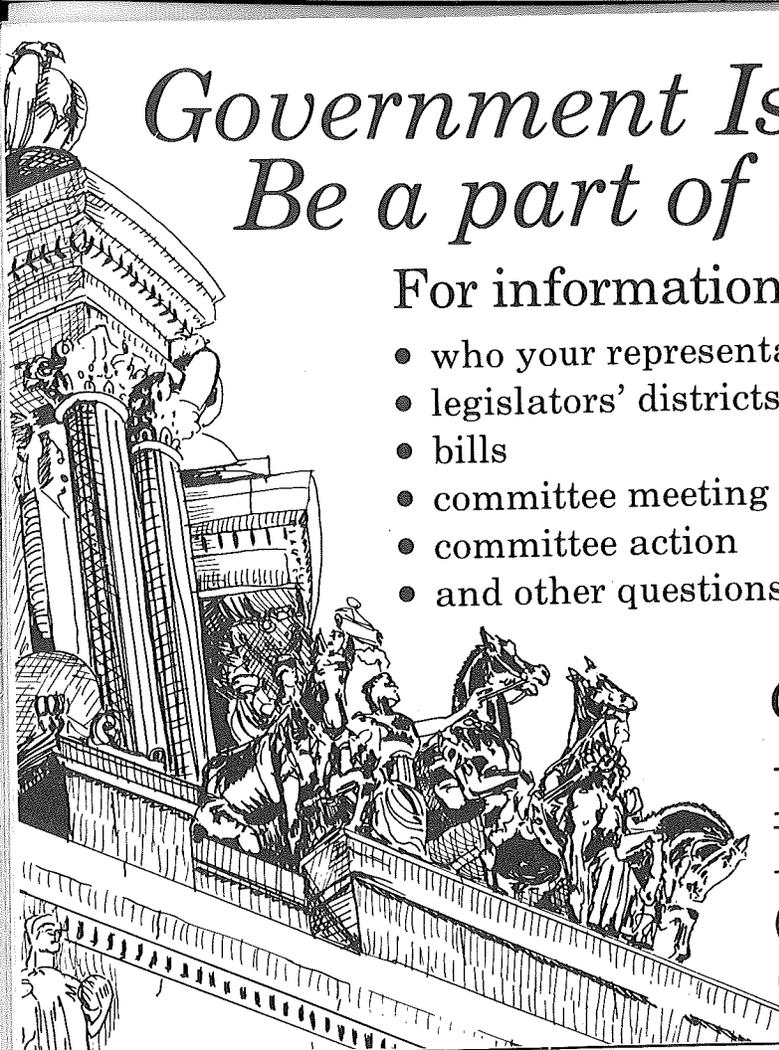
**Management Dec. 9** heard testimony on Waste Management Board's (WMB) report on mitigation and compensation for facilities and Controlled Sciences, Inc.'s proposal for Legislative Advisory Commission (LAC) funding...**Jan. 9** heard comments on WMB's mitigation and compensation plan, Draft Hazardous Waste Plan, Draft Certificate of Need, and HF1361, a bill proposing a tax on landfill materials; heard testimony on Metropolitan Council's mitigation and compensation reports and legislative proposals...**Jan. 23** heard legislative proposals to implement the Hazardous Waste Management Plan, staff presentation on comparative assessment of alternatives for waste disposal and storage, and testimony on crystalline bedrock technology for hazardous waste disposal.

### **Legislative Coordinating**

**Commission...**subcommittee on the Revisor's Office **Dec. 8** heard from the revisor of statutes about office matters and functions...approved some staffing requests...heard a proposal to create a Minnesota Law Revision Commission...heard about revisor's move to State Office Building and possibility of a back-up computer system in case of computer failure...heard requests for access to the revisor's computer data base...**Jan. 10** reviewed pay plans for various commissions, legislative library, and Revisor of Statutes...reviewed report on salary recommendations for the legislative auditor...heard State Office Building remodeling plans.

### **Legislative Study Commission on**

**Metropolitan Transit Dec. 7** heard review of Transportation Board's duties, state transit office activities, MTC governmental operations, and budget review processes...**Dec. 14** heard comments on the "Transportation Development Guide/Policy Plan" and an evaluation of MTC transit service...**Dec. 21** Michael Finn, House Research, presented a paper outlining metropolitan transit problems and possible legislative directions; commission heard comments on the paper...**Dec. 28** heard Neil Hamilton's case study on urban mass transit...**Jan. 4** heard community leaders from Chaska and Shakopee discuss transit problems and possible "opt-out" plans for their areas; heard DOT transit funding presentation...**Jan. 11** heard comments from MTC, DOT, and Metropolitan Council officials, and private transit providers, on transit financing; commission staff presented a report on governmental functions and responsibilities of metro transit...**Jan. 18 and 25** heard responses and discussion of report on governmental functions and responsibilities.



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