

Senate Briefly

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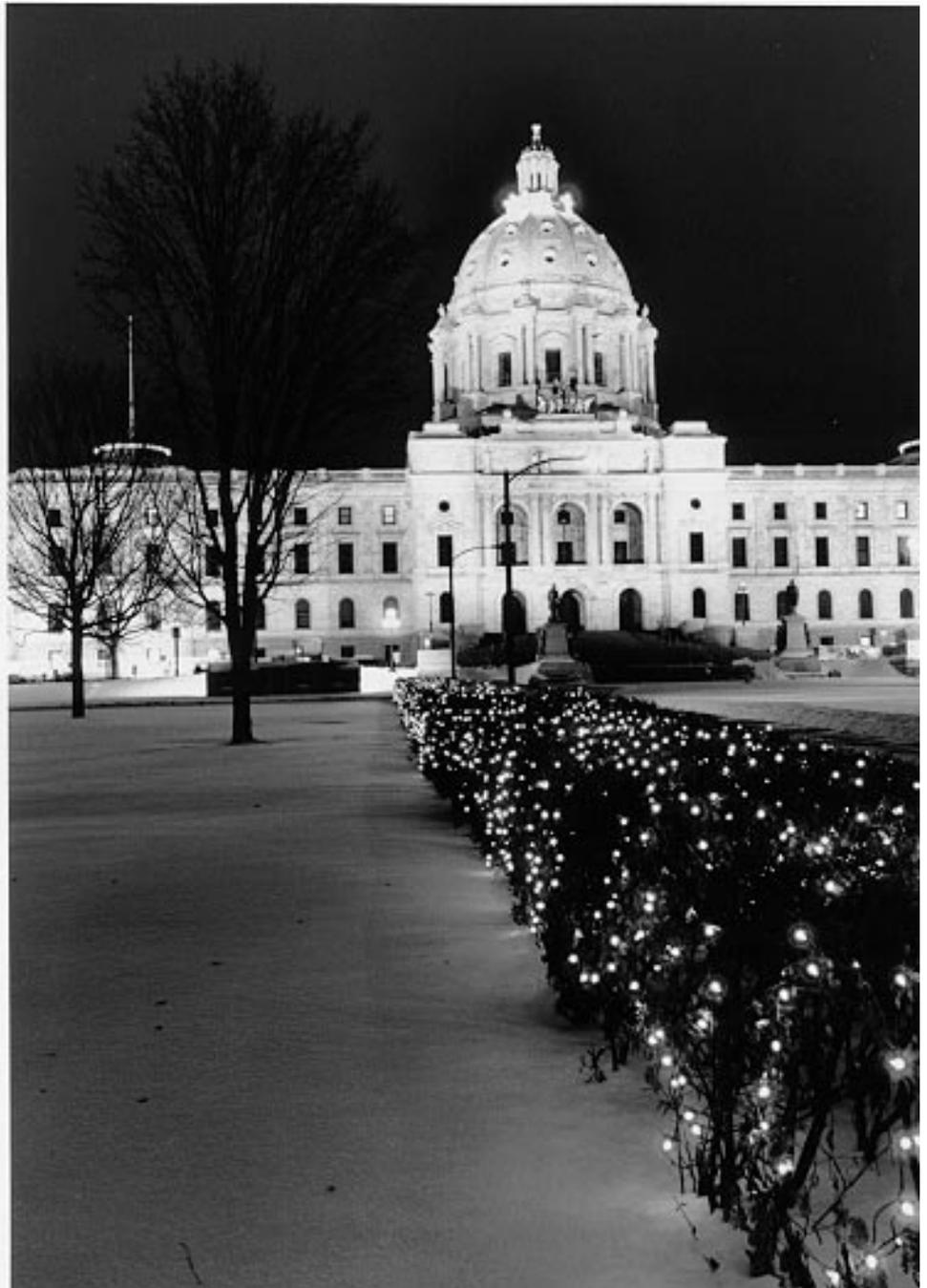


Photo by David J. Oakes.

January 23, 1998

Senate Highlights

Session reconvenes

The Senate reconvened for the second half of the regular session at noon Tues., Jan. 20. Senate Majority Leader Roger D. Moe (DFL-Erskine) said the session will be intense because of the short time and long agenda.

The Senate adopted several resolutions on the operation of the Senate, including Senate Concurrent Resolution 12, which sets deadlines for committee action.

Under the resolution, all non-appropriation bills must be passed out of policy committees in their house of origin by February 13, all other non-appropriation bills must be passed out of policy committees by February 20, and all appropriation bills must be passed out of policy committees by February 27.

Senators also adopted resolutions on postage, housing allowance and staffing for the session. In addition, Senators introduced and referred to the standing committees 107 bills on a variety of topics. Members will now begin an intense period of committee activity, debate and deliberation prior to the first deadline.

The session began with a traditional Ojibway pipe ceremony conducted by Senate Chaplain Thomas Stillday. Stillday is the first Native American to serve as a chaplain in any state Legislature.

The Senate also met briefly Thurs., Jan. 22, to process and introduce bills.

Unicameral system discussed

A proposal to institute a one house, or unicameral Legislature, was discussed at the Weds., Jan. 21, meeting of the Election Laws Committee.

The proposal, S.F. 59, authored by Committee Chair John Marty (DFL-Roseville), abolishes the House of Representatives and allows the Senate to expand membership up to 135 members without definitely setting its size. Marty said he wanted the debate to focus on whether the Legislature has one or two houses and not what size the one house would be.

Sen. Dave Kleis (R-St. Cloud), a co-sponsor of the bill, said that 1998 is an opportune time to act on the issue because of the upcoming 2000 census.

He said that if the bill passes, the question to amend the state constitution for a unicameral Legislature will appear on the ballot this November. If the question passes, the Legislature could make the necessary preparations, such as setting the size of the new Senate, during the next session. After the census is taken, the new district lines will be drawn in time for the 2002 elections, according to Kleis.

Senate President Allen Spear (DFL-Mpls.), saying he was wearing his other hat, that of a University of Minnesota history professor, spoke in favor of the bill. Spear said the concept of a bicameral Legislature originated in medieval times when many countries had one house for the commoners, and one for the nobility. He said that the American Constitutional Convention borrowed the concept and created two bodies. The result was a Senate that protected states' rights by having two members from each state, regardless of population. The other body was population based, Spear said.

Spear said that previously many state Legislatures had upper bodies that consisted of one member for each county regardless of population. He said that this concept lost relevance in the 1960's with Supreme Court rulings that implemented the concept of "one man, one vote," or that all state legislative bodies had to be population based. With that, both bodies had the same constituencies and "essentially duplicate each other," Spear said.

Spear said the most important reason to convert to a unicameral system is to get rid of the worst feature of the current system -- the conference committee. He said that many bills are thoughtfully crafted by one body, and then undone in conference committee. He added that many conference committees are faced with tight timelines and can't fully consider the bill before them. Spear said that one argument against a unicameral is that it removes a set of checks and balances and as a result many "sloppy things get through." Spear countered that argument by saying that the current bicameral system encourages sloppiness. He said that many politically popular

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amendments are offered on the floor to either make opponents look bad or the author to look good. Spear said that the authors don't really intend for the amendments to become law because they know the other body will remove it. He said that in a unicameral system, Legislators would be reluctant to offer bad amendments if they knew the proposal might actually become law. Spear added that there would still be the governor's veto power to act as a check on bad legislation.

Kleis spoke about Nebraska's Legislature, the only state unicameral system in the nation. He said Nebraska converted to a unicameral Legislature in 1937 and there has never been an effort to go back to a bicameral system. He added that city councils and county boards of commissioners are unicameral entities and there are rarely any efforts to divide those entities into two bodies. Kleis said that citizens in Nebraska don't have to monitor legislation in the Senate and House and conference committees, but only in the single body. He said that the Nebraska Senate is much more responsive and accessible to the citizens because they don't have a second body to blame for bad laws.

Sen. Dallas Sams (DFL-Staples) was critical of the bill. He said he was concerned that a unicameral system would put power into fewer hands. He also raised concerns that the bill allows for a smaller legislative body which require larger legislative districts. Sams said that with larger districts, the caseload of constituent matters would increase. More of a rural Legislator's time would be required to travel around a larger district to discuss matters with constituents, Sams said. Sams added that both representatives from his district are from the other party and a bicameral system allows his constituents to hear both sides of issues from their elected representatives.

Spear answered Sams' concern about a smaller Legislature by saying that the bill doesn't necessarily require that the new single body be smaller. Spear admonished the committee members to not confuse the issue of a unicameral

Legislature with the issue of a smaller Legislature.

Kleis also joined Spear's criticism of conference committees and said the only way to reform the conference committee system is to make all 201 Legislators members of them. Sen. Ember Junge (DFL-New Hope) said she previously opposed a unicameral Legislature, but became a convert when she read "Tribune of the People" by Royce Hanson. Quoting from the book she said that a Senator's vote on the Senate floor counts for less than a Senator's vote on a conference committee. She added that a one house system would promote more work on the front end of the legislative process and less on the back end.

The committee also heard from Dr. Craig Grau, a political science professor at the University of Minnesota - Duluth. Grau said that James Madison wrote in Federalist Paper 51 a prediction that the legislative branch would be the strongest of the three, so the framers of the constitution divided it into two parts to lessen its power. Grau said that 20th Century American history has shown that the executive branch has actually been the strongest, and a unicameral system would restore some balance to the relative strength between the branches of government. Grau added that putting the unicameral legislature question on the ballot would be a sacrificial act by Legislators, and that act could help dispel some of the public cynicism toward politicians.

Senate Majority Leader Roger Moe (DFL-Erskine) questioned whether a unicameral Legislature would put restraints on bad amendments. He said that such amendments were inevitable in a political arena such as the Legislature. Moe posed the scenario of what might have happened in two past elections if Minnesota had a unicameral Legislature at that time. He said that most people agree that Republicans would have been victorious in both the gubernatorial and legislative contests in 1978, and the DFL would have prevailed in those races in 1982. He said that with those political swings, the different administrations would have implemented radically

different policies. Moe said that one thing the business community wants is a stable political environment and a unicameral Legislature would work against that. Spear responded that the bill proposes staggered terms for Senators so that only half the membership would be up for re-election every two years. Spear said that the staggered terms would buffer the political swings of the state.

Sen. Douglas Johnson (DFL-Tower) said he was concerned that a single house would give lobbyists undue influence. Marty countered Johnson's assertion by saying a unicameral system would give lobbyists less influence. Marty said that when citizens follow legislation through the process, they watch the committee meetings which are open and accessible, but the public tends to ignore conference committees. On the other hand, Marty said, lobbyists tend to watch conference committees very carefully because the lobbyists are frequently paid to defeat things more than they are to get things passed. Marty said a unicameral system takes power away from lobbyists who stay at the Capitol 24 hours a day.

Support for the concept was also voiced by Sen. Dean Johnson (R-Willmar). He said that as a more senior member of the Senate, he wasn't going to stay in office for many more terms. Johnson encouraged the Legislative leadership to reorganize as a unicameral Legislature and turn power over to the younger members of the Legislature. He said there needs to be a public debate on the issue. "Maybe we should try it and see what happens," Johnson concluded.

Former Senator George Pillsbury also testified before the committee. Pillsbury said that many business executives want the state to adopt a unicameral system so that the government will be run well and efficiently. Pillsbury encouraged the committee to give the bill a chance and let it out of committee. "Let the people decide," he added.

The committee plans to resume discussion of the bill and will work to put together a committee bill from several unicameral proposals. Marty said the committee will vote on the bill within a week and a half.

Committee update

Crime Prevention

NEAC bill discussed

A special subcommittee, the Crime Prevention Interim Subcommittee on NEAC met Weds., Jan. 21, to review their progress on a bill recodifying and making changes to the statutes dealing with non-felony criminal offenses. The measure, S.F. 409, authored by Sen. Allan Spear (DFL-Mpls.), was referred to the subcommittee during the 1997 session because of its sheer size and complexity. A product of the work done by the Non-felony Enforcement Advisory Committee (NEAC), which was appointed by the Legislature in 1993 and consisted of representatives of the legal and criminal justice professions, the bill essentially rewrites the entire non-felony criminal code.

Members of the committee, chaired by Sen. Ellen Anderson (DFL-St. Paul), adopted several amendments that update the measure to reflect changes enacted during the 1997 session and then turned their attention to discussion of several policy issues that have evolved over the course of the hearings on the bill. The bill restructures the penalties for various non-felony criminal offenses into gross misdemeanors, three categories of misdemeanor and infractions. Under current law, penalties are categorized as gross misdemeanors, misdemeanors and petty misdemeanors. The proposals also sets fines and time periods for incarceration under the various penalty levels.

Upon a motion by Spear, the panel deleted references to infraction level theft; preferring to leave the lowest category of theft at the misdemeanor level. However, the subcommittee chose to delay specifying dollar amounts for the various levels until a later date. In addition, the panel voted to set a floor penalty of gross misdemeanor for the crime of financial exploitation of a vulnerable adult.

Members of NEAC, Roger Battreall, Prof. Ken Kirwin, Mike Johnson and Bob Johnson, described various other policy issues contained in the measure. Members adopted several motions to delete or resolve the issues, without

making specific page and line amendments.

At the conclusion of the hearing, Spear said that he understood that the bill would not be heard in the other body this session. As a result, Spear suggested keeping the subcommittee together and continuing to work on the proposal during the interim. "I can't justify taking more time when the bill is not going anywhere in the House and we have such a short time before the deadline, he said. "I believe we have done really good work and I don't want anyone to feel they have wasted their time," Spear said. He added, "We need to keep the dialog going and reach out to interested groups to come to a consensus on the more controversial portions of the bill."

Environment and Agriculture Budget Division

PCA budget items discussed

Without taking any action on the items, the Environment and Agriculture Budget Division met Weds., Jan. 21, to consider the supplementary budget request presented by members of the Pollution Control Agency (PCA).

Questions were raised repeatedly by committee members regarding the request, which includes \$50,000 to perform a cost-benefit analysis of implementing certain water quality regulations, as well as \$500,000 to continue the malformed frog investigation begun in 1995.

The PCA, which is required by law to evaluate the costs of rule-making, would put the \$50,000 toward such a scoping study, done by an independent third party using the guidelines set forth by a work panel already assembled by the PCA, said Laurie Martinson, an administrative director with the agency. The PCA would then submit this third party's recommendations to the Legislature for approval.

Committee Chair Steven Morse (DFL-Dakota) reiterated the importance of such attempts to determine a measuring system which factors in such hard-to-define issues. "I really believe that one of the main issues in environmental management (is) to develop a tool so that there is

a high level of confidence...if it is done representatively, we could reform a lot of our regulatory framework in environmental management," he said.

Chief among the committee's concerns was the lack of agricultural representation among the panel the PCA assembled.

"Agriculture provides about 20 percent of the economy of the state, and a big share of the land area," said Sen. Charles Berg (IND-Chokio). "I don't know if it's by design or by accident that they were not included" in the panel, he said.

Martinson replied that there was not, as yet, any representation by either agricultural or watershed management groups, but that such representation was a good idea.

In answer to a question raised by Sen. LeRoy Stumpf (DFL-Thief River Falls) regarding whether any other states had done any such studies, Martinson said that states such as California, Colorado, and New York had all done similar surveys, and the PCA is working to include the results of this work.

Steve Taft, a University of Minnesota professor of applied economics, discussed the difficulty in creating any type of measuring system which clearly identifies the benefits and costs of water quality rulemaking. "How do we decide if we are making good decisions? The risk we run is starting to act as if the contents of a study will result in a single number which will tell us what the answer is. When people add them all up, come up with one number, and then use them to try to make a decision, that's overuse of a very valid methodology."

The second PCA supplementary budget item debated was the money requested by the PCA for the continuation of the frog deformation study. The study would use the funds requested in six areas; investigation into both unexamined and previously examined sites, continued characterizations of frog abnormalities, a hydrogeologic monitoring network, landscape analysis with an emphasis on possible human influence on amphibian development, bottled water for citizens, and project coordination and communication.

Because of the ongoing nature of the frog study, Sen. Bob Lessard (DFL-Intl. Falls) sought confirmation that the PCA would not be afraid to stand up at some point and say “we give up, we don’t know.” Martinson said that the PCA would not be afraid to do so.

Family and Early Childhood Education Budget Division

Child care overview

Representatives from the Department of Children, Families and Learning presented an overview of activities and changes in the Child Care Assistance Program since July 1, 1997. Committee Chair Pat Piper (DFL-Austin) welcomed members, staff, and a visiting delegation of students from the Hubert H. Humphrey Institute.

Barb Yates, assistant commissioner, Office of Community Services, said that the Child Care Assistance Program had experienced many changes since last July as a result of welfare reform, now in its fifth month of implementation. Cherie Kotilinek, supervisor, Child Care Assistance, said the caseload increase “has been overwhelming” and has had a “major impact” on counties.

The Child Care Assistance program that exists today is significantly different from the program previously in effect, according to Kotilinek. These changes have caused “considerable” confusion for clients and counties, she said. To clarify the changes, Kotilinek said the department offers face-to-face training for over 200 financial, employment services, child support, and child care assistance workers and they also hired new staff to handle increased workloads. To aid these workers, the office provides bulletins to explain program complexities and takes questions through telephone conferences, said Kotilinek.

Piper remarked that the committee’s budget includes the department’s \$21 million eleventh hour request in funds to make up for cuts in the child care food program. She said food program funds in the past ensured that daycare providers pursued proper licensing and had training in nutritional requirements, a key factor

in the health of Minnesota’s children.

Kotilinek announced that the request for proposals for the At-Home Infant Child Care Program, published in the state register in September, resulted in five applications. The contract to study and develop guidelines is awarded to Terry Donovan of Organizational Strategies.

Sen. Leo Foley (DFL-Anoka) then described a “model parent leave program” in effect at ECM Publishers, Inc., a company operating in East Central and Central Minnesota under former Gov. Elmer L. Andersen. The program allows employees to take up to three years parental leave with the company paying 40 percent of regular pay. Sen. Claire Robling (R-Prior Lake) said that society is “moving in the right direction” in allowing parents to stay home during the crucial first three years of a child’s life. Piper said that child care assistance families must get into the job force, but low-income families who “need it most” should also have the opportunity to nurture children at home. She said the key to the success of parental leave programs was to “get the word out” on model programs.

Finally, several Senators said they were concerned over the number of families on the waiting list for the Basic Sliding Fee Child Care Program. Sen. John Marty (DFL-Roseville) and others asked that the department try to estimate full funding to reduce or clear the waiting list to prevent families from slipping back onto welfare rolls. Yates acknowledged their concern and promised to get firmer numbers from county agencies during the legislative session.

Governmental Operations and Veterans Affairs

U-Fairview merger discussed

“We are where we wanted to be at the end of year one,” said Dr. Frank Cerra, senior vice president for health services at the University of Minnesota, “The resident and student experience at the hospital is unchanged.”

The Governmental Operations and Veterans Affairs Committee, chaired by

Sen. James Metzen (DFL-South St. Paul), heard testimony Wed., Jan. 21, concerning last year’s merger of Fairview Hospital and the University of Minnesota Hospital.

According to the Fairview Relationship Progress Report, in January 1997, University Hospital was sold to Fairview Hospital and Health System. The aim of the merger was to improve the financial performance, provide greater access to patients for education/research and clinical practices of faculty, and to support the public community mission of the Medical School and AHC (Academic Health Center). Under the agreement the University transferred control of the hospital, parking ramp, and its Red Wing and Hibbing affiliates to Fairview while the private company paid \$87 million to the University and agreed to provide and attract patients for education and research.

Cerra said 4,000 employees transferred to Fairview and although 200 layoffs were expected, almost none occurred. He said this merger has been a humane transition and he thanked the Legislature for the help it has provided.

“The University paid about \$6 million in transition benefits while the state contributed \$1.8 million,” Cerra said, “we (the University) are satisfied that the integrity of the state education and research money has been maintained.”

Cerra said students and faculty who use the hospital have not been negatively impacted by the merger. One concern opponents had last January was a possible exodus of faculty from the hospital after the merger. Cerra said this has not been the reality, and in fact the university has added four senior department heads while turnover of faculty at the hospital has remained at the historic level of 6-8 percent.

In addition to the overview by Dr. Cerra, Tom Beer, political action director for AFSCME also testified before the committee. Beer said there has been minimal displacement of workers during transition of the hospital to Fairview’s control, but he added, the employees have seen their out of pocket health-care costs rise significantly and

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still don't have a union contract to work under at Fairview.

Beer said that labor had a stake in the successful merger yet was not included in the negotiations. "We (the AFSCME union employees) have serious economic stress and this will be an ongoing battle," Beer said, "the Legislature needs to be involved in this process so workers have a voice."

Beer said after the merger Fairview failed to recognize the service employee union and would not collectively bargain with AFSCME. He said Fairview hired "a union busting company" Management Science Associates, that distributed anti-union flyers and created a hostile atmosphere at the hospital before the workers voted to reinstitute the union. "We are still negotiating our first contract with Fairview," Beer said, "and have been for the past three months."

AFSCME represents approximately 900 service and maintenance unit employees at the hospital.

Sen. Martha Robertson (R-Minnetonka) said we now have a union and should recognize that. "These employees are no longer public employees. They are private employees now," Robertson said.

Cerra said the university is concentrating on moving forward in the Fairview/University relationship. "Whatever challenges are before us, this was a good decision for the University of Minnesota," He said.

Governmental Operations Budget Division

Office of Technology discussed

JoAnn Hanson, executive director of the Minnesota Office of Technology spoke before the Governmental Operations Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), Wed., Jan. 21. Testimony consisted of an overview of current projects the office is working on as well as legislative reports on budget and finance, and governmental services.

After being introduced and welcomed as the technology office's new director, Hanson said the office needs to develop

and identify a clear direction because "People need to know what we are doing."

Hanson said the technology office is committed to agencies succeeding, and as we move forward, the office will ensure that state agencies have the capacity and innovation they need.

According to documents provided to the committee by the Office of Technology the office's goal is to fully integrate information and communications technologies into the lives of Minnesota citizens. The report indicated that the focus of the office is to fundamentally change our lives by changing how we work, learn, govern, and recreate.

Office of Technology Deputy Director Scott Malm, who gave a summary of the legislative reports, told the committee that technology funding is important because state services are becoming more dependent on information technology. "These systems are expensive. We estimate \$220 million was spent last year," Malm said, "these are big ticket items." He said with rapidly changing standards and opportunities IT (information technology) should bridge service gaps and align service delivery to citizens.

Sen. Martha Robertson (R-Minnetonka) asked Malm what kind of expenditures were included in the \$220 million figure. Malm said the number included a wide variety of costs including hardware, software, labor, and seminars.

Malm said IT investments provide critical support to policies and programs. "If it does not support a program then we should not be doing it," he said.

Malm said the state needs to promote information resource planning and maximize agencies purchasing power. He suggested possibly allowing agencies to carry forward unspent IT funds or develop innovative technology infusion leases, to upgrade existing hardware and software, as the DNR is doing.

Jane Leonard, deputy director in the Office of Technology, said community relations is a key role. She said the Office of Technology has completed the most comprehensive inventory to date of state computer systems. According to documents provided by the Office of Technology, 118 organizations participated in the

survey and those entities reported 963 separate information and communication systems. "In years past we have not been able to get all the facts," Leonard said.

Leonard said the data does not provide conclusions, but rather it is a baseline from which to continue a more thorough investigation of available resources and opportunities for collaboration. "We need a much more intense effort at getting standardized techniques that can be shared across organizations," Leonard said.

Leonard talked about the importance of eliminating data redundancy as an important task. "We must train people how to use and share technology," she said.

Leonard also presented a list of programs currently receiving funding from the Office of Technology. "North Star" is Minnesota's official site on the Internet. One-Stop licensing is a program that allows the electronic retrieval of business license information. Leonard said committee members would see rapid movement in this program in the future that, among other things, will allow the system to integrate with "North Star".

Trade Point Minnesota is a program designed to promote electronic commerce, and to establish Internet Centers to guide Minnesota communities. Leonard said the goal is to move communities toward electronic commerce by providing seed grant development through revolving funds.

Leonard said the Office of Technology is also co-chairing the host committee for the International Telecommunications Union Conference. Issues to be discussed at the conference highlighting Minnesota's high-tech industry, include help in coordinating security issues and planning public/private coordination. Leonard said the United Nations sponsored conference is held every four years and attracts people from 187 countries over six weeks.

Health and Family Security Budget Division

Health budget overview

Representatives from the Minnesota Dept. of Health presented the Health and

Family Security Budget Division with a supplemental budget overview at the Tues., Jan. 20, meeting. Sen. Don Samuelson (DFL-Brainerd) chaired the meeting.

The Dept. of Health included seven initiatives in its supplemental budget request.

The Fetal Alcohol Syndrome (FAS) initiative allocates its \$5 million General Fund request through grants and pilot projects to implement a public awareness/prevention campaign and to analyze the prevalence and incidence of Fetal Alcohol Syndrome in Minnesota. Commissioner Anne Barry, Dept. of Health, told the committee that First Lady Susan Carlson had formed an FAS task force which would release its findings Thurs., Feb. 5.

The FAS initiative creates a coordinating board consisting of public and private agencies attached to the Dept. of Health to form a united front in warning the public against the use of alcohol during pregnancy. Sen. Linda Berglin (DFL-Mpls.) told the committee she was concerned "by the large number of people affected by FAS who end up in the prison system." She added later that "the beverage industry should contribute to the costs" of educating the public. While the budget does not allow for coordination between the state agencies and the beverage industry, Barry told the committee that the beverage industry does contribute through warning labels, posters, and task forces. She promised to follow-up with other ways to gain beverage industry cooperation in preventing FAS. Commenting on recent statistics concerning the high alcoholism rates among Minnesota's youth, Sen. Sam Solon (DFL-Duluth) said he hoped that supplemental funding would help fight the battle against teenage alcohol abuse.

"The food supply is in greater jeopardy now," said Mike Osterholm of the Dept. of Health, "than at any other point in 20 years." With that statement, Osterholm outlined the Food Safety Leadership Initiative's request for over \$3 million from the General Fund to support Minnesota's leading edge in the development of early warning systems to protect

the food supply and stop the transmission of infectious diseases. Osterholm said the funds are needed to expand testing and fingerprinting of new bacterial strains that are increasingly resistant to antibiotics. Sen. Steve Dille (R-Dassel) spoke of a two-pronged attack against food contamination through cooking and irradiation. Berglin asked if private hospitals share in the costs of testing services. Osterholm said more than one institution is involved during an outbreak, for example, but promised to explore cost-sharing options.

The Breast and Cervical Cancer Control Program is requesting \$989,000 from the General Fund for breast and cervical cancer screening and diagnostic tests for low-income individuals without adequate health coverage--a program previously funded by federal dollars. The Medical Education and Research Costs initiative provides \$10 million in additional funds to maintain the level of quality training of needed clinicians who provide services throughout Minnesota. The department is asking for \$259,000 from the Health Care Access Fund for the State Rural Physicians Loan Forgiveness Program to ensure a stable funding base for the initiative which aids an estimated 150-200 primary care physicians in rural settings. The Institutional Infection Control Program is requesting \$450,000 from the General Fund to decrease the spread of infections in institutional settings. Samuelson asked representatives from the Occupational Respiratory Disease Information System initiative to request more information from labor organizations, which have already gathered considerable data, about occupation-related respiratory diseases. The Medical Practice Board, the Veterinary Medicine Board and the Emergency Medical Services Corps also presented their supplemental budget requests.

Judiciary Committee

Media shield law advances

Recent judicial decisions regarding interpretation of the Minnesota Free Flow of Information Act (media shield law) have had a "chilling effect" on the

media, according to Sen. Richard Cohen (DFL-St. Paul). Cohen presented S.F. 1480 to the Judiciary Committee Wed., Jan. 21. KARE-11 reporter Rick Kupchella provided testimony on the bill's impact on journalists.

Lucy Dalglish, Minnesota Bar Association, said the bill amends key provisions of the media shield law to guard against subpoenas compelling members of the media to provide courts with all unpublished information, including reporters notes, photographs, and personal impressions. Minnesota's media shield law was originally enacted in 1973 to provide protection only for confidential sources, she said. Since 1993, however, Minnesota courts have decided protection does not extend to unpublished information, according to Dalglish.

Kupchella, representing the Society of Professional Journalists, said these interpretations are a "clear threat to the independence" of the media. He said that all "off-the-record" comments to journalists would now be put into the public arena as court testimony which would lead to a loss of confidential sources. He cited several recent court cases as evidence. Kupchella asked, "how many of you would provide off-the-record comments to journalists knowing that it could be used in court?" Journalists and photographers are now subpoenaed at "an alarming rate," he said. Litigants turn to TV stations and newspapers in their defense strategies, which has cost the media time and money, he said. Kupchella offered that the solution is to amend the language to force courts to return to the original intent of the law.

Sen. Allan Spear (DFL-Mpls.), who was a member of the Legislature when the original bill was passed, said the bill now before the committee "restores the law to what the Legislature intended. I support this bill." Other Senators said they were concerned over the unintended legal consequences in the new wording, particularly in civil litigation. Dalglish warned that an unintended consequence of the current interpretation is that lawyers will advise their media clients to destroy unused notes and tapes.

Sen. Deanna Wiener (DFL-Eagan)

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Environment and Agriculture Budget Division (12)

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Dille	Krentz	Pariseau	Vickerman
Frederickson	Laidig	Price	

Family and Early Childhood Education Budget Division (9)

Chair: Piper
Office: G-9 Capitol
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 15
Members:

Higgins	Lesewski	Marty	Terwilliger
Janezich	Lourey	Robling	

Committee on Taxes (23)

Chair: Johnson, D.J.
Office: 205 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 15
Members:

Anderson	Hottinger	Novak	Price
Belanger	Kelley, S.P.	Oliver	Runbeck
Berg	Knutson	Olson	Vickerman
Betzold	Lesewski	Pappas	
Day	Marty	Pariseau	
Flynn	Murphy	Pogemiller	

Governmental Operations Budget Division (11)

Chair: Price
Office: 235 Capital
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds., 10-11:45 a.m.; Room 15
Members:

Betzold	Marty	Runbeck	Wiger
Cohen	Metzen	Scheid	
Frederickson	Robertson	Stevens	

Education Finance Committee (13)

Chair: Langseth
Office: 122 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 123
Members:

Foley	Johnson, D.E.	Piper	Scheevel
Hanson	Larson	Robertson	Wiger
Higgins	Moe, R.D.	Robling	

Health and Family Security Budget Division (14)

Chair: Samuelson
Office: 124 Capitol
Meets: Tues., Thurs., Fri., 10-11:45 a.m.; Room 15
Members:

Berglin	Hottinger	Piper	Terwilliger
Dille	Kiscaden	Sams	
Fischbach	Lourey	Solon	
Foley	Morse	Stevens	

Human Resources Finance Committee (15)

Chair: Berglin
Office: 309 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 112
Members:

Beckman	Kleis	Samuelson	Terwilliger
Johnson, D.H.	Lourey	Spear	
Kelly, R.C.	Neuville	Stevens	
Kiscaden	Ranum	Ten Eyck	

Higher Education Budget Division (9)

Chair: Stumpf
Office: G-24 Capitol
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 107
Members:

Kelly, S.P.	Kleis	Murphy	Wiener
Kiscaden	Larson	Solon	

State Government Finance Committee (16)

Chair: Cohen
Office: 317 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 107
Members:

Dille	Junge	Metzen	Stumpf
Fischbach	Laidig	Morse	Wiener
Frederickson	Lessard	Ourada	
Johnson, J.B.	Limmer	Solon	

Committee update

asked if language changes would prevent a reporter from volunteering unpublished information to the courts or prevent a judge from requesting such information if it were deemed relevant. Kupchella said that most reporters would simply publish the photographs or the film footage, for example, if deemed relevant. "You had better believe if I had film footage of a crime it would run as top coverage two nights running," he said. Finally, a representative of the Minnesota Trial Lawyers Association stated that they were not taking a position for or against this proposal.

The committee approved the measure and sent it on to the full Senate.

K-12 Education Budget Division

Budget reviewed

Commissioner Bob Wedl of the Department of Children, Families and Learning, and Stephanie Andrews of the Education Finance Department, presented the governor's budget and bonding recommendations to the K-12 Budget Division Weds., Jan. 21.

Andrews outlined the governor's 1998-99 supplemental budget recommendations for K-12 education spending to the division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.). In regards to charter schools, she said the governor recommends that charter school lease aid be increased by \$216,000 in FY 98 and by \$312,000 for FY 99. The governor also recommends that charter school start-up aid for FY 98 be increased from \$500,000 to \$1 million.

She said the governor also proposes that compensatory revenue be adjusted for school districts and charter schools with enrollment increases exceeding 10 percent between the previous fiscal year and the current fiscal year. Due to the 10 percent growth requirement, few school districts and charter schools are expected to qualify for this adjustment.

The governor recommends a one-time allocation of \$500,000 in FY 99 for planning and design grants for lifetime learning sites. Andrews said the purpose

of the allocation is to fully implement the Lifetime Learning Law, passed last year by the Legislature.

She also outlined the governor's proposals to simplify school-levy computations and to provide a salary supplement provision for the Academy for the Faribault Residential Academies for the Deaf and Blind and the Lola and Rudy Perpich Minnesota Center for Arts Education.

Andrews told the panel the governor recommends amending the statutes governing Limited English Proficiency (LEP) services to clarify that expenditures and enrollments for cooperative LEP programs be allocated among participating districts, consistent with current procedures for special education programs.

Wedl outlined the capital budget requests of the Dept. of Children, Families and Learning in fiscal years 1998-2003. There is 1998 state appropriation request is for a grant of \$14.33 million in 1998 to a project partnership of the Amherst H. Wilder Foundation, the Saint Paul Public Schools, the city of Saint Paul, Ramsey County, the state Department of Children, Families and Learning, and St. Paul neighborhood communities. Under the proposal, the remaining funding will be provided by local public and private funding sources. Project partners will establish three Achievement Plus facilities that will serve approximately 1,730 students. The primary goal of the programs is to improve student achievement. Each school will provide a fully integrated set of academic, family, health, social, and recreational support services to children, families, and the community during the school day and evenings, weekends, and school vacations. No state operating funds are requested with this project.

The governor also requests \$12,000 to provide start-up and/or remodeling and renovation funds for up to 3 residential academies. The intent of the initiative is to provide a residential education opportunity for Minnesota youth between the ages of 12 and 18 years whose current residential situation is not providing them with the support, security and stability that they require. There will be no increase to state operating costs as a result

of this project. Some long-term savings are expected in corrections and social service costs, according to the department.

The governor requests \$725,000 to design and construct several high priority projects to preserve the physical assets and to fully update the physical plant at the Minnesota Residential Academies for the Deaf and Blind, located in Faribault. High priority projects include replacement of roofs, windows, fire protection systems, recaulking windows, asbestos removal, and sidewalk replacement. The governor also requests a total of \$1.2 million be appropriated in 1998 to the Minnesota Center for Arts Education in Golden Valley.

The panel also examined a proposal for the recodification of education statutes, as prepared by committee staff. Staff member Annie Marie Butler explained that the recodification is not meant to be change policy but simply to organize the statutes in a way that makes more sense. She said the recodification creates two new chapters, the Community Education Chapter and the Educational Opportunities Chapter. In response to members' request Butler will prepare a list of new and current chapters for members' examination.

Local and Metropolitan Government Committee

Lottery budget presented

Fiscal year 1997 sales for the lottery were down from the previous year's sales, said State Lottery Director George Andersen at a meeting of the Local and Metropolitan Government Committee Weds., Jan. 21.

Pinpointing most of the decline on two events, last year's dramatic flooding, and the substantial downturn in Powerball sales, Andersen said that 5 of the 20 top lottery retailers in the state lost their entire livelihood to the floods. Powerball sales decreased 23 percent from previous year's totals, mostly resulting from an inordinate amount of wins, Andersen said, noting that people aren't as willing to play when the jackpots are depleted to beginning levels. "When the jackpot is

not mindboggling--it's only life-changing--people just don't play," he said. The combination of the two events together was largely responsible for a 2 percent drop in sales, he said, from approximately \$375 million in 1996 to \$368 million in 1997.

Despite the setbacks in sales, Andersen presented a largely positive picture of the state lottery's overall condition. The lower 1997 sales were still the second highest ever reached for the lottery, according to the lottery's annual report. In addition, revisions to the lottery system's computer software will result in major changes in the Powerball game, he said.

Sen. Kenric Scheevel (R-Preston) said that some store owners in his district complained about not really wanting to have anything to do with the lottery, but not being able to afford the loss of traffic, either. Andersen admitted that such events did occur. "It is true that lottery players will go to another state," to get tickets, he said. He also said that a waiting list presently exists for the limited number of lottery system terminals available. In answer to Committee Chair Jim Vickerman's (DFL-Tracy) question whether sales would pick up if the Legislature changed how lottery funds were used, he answered affirmatively, but said the gain would be for the short-term only. "Market segmentation studies showed that 10 percent of (ticket buyers) rationalize purchases by where (the money) goes," he said.

Presenting a wish-list of sorts to the committee, Andersen appealed both for the reconsideration of the lottery's present prohibition on holiday-themed games and for the reinstatement of unclaimed prize money back into the jackpots. "It's the players' money," he said, noting, however, that if no changes were made to the lottery system he would be happy.

Andersen also said there was still room for market growth, and that the percentage of income spent on gambling by Minnesotans is still low compared to states such as Massachusetts.

When questioned why sales were down but the number of lottery employees had increased, Andersen said that the lottery

had increased the use of college students and seasonal labor, and that the lottery was now doing much of its sign printing in-house. A sign that used to cost \$700 now can be done for about \$12, he said.

Asked about whether any headway had been made on the issue of compulsive gambling, Andersen said that the figures have remained relatively stable at two-tenths of a percent of those seeking treatment for gambling.

Rules and Administration

Opening resolutions okayed

Members of the Rules and Administration Committee, chaired by Sen. Roger D. Moe (DFL-Erskine), held their first meeting of the session Tues., Jan. 20. The committee approved several resolutions needed to begin the second portion of the 80th Legislative Session to begin. The first resolution names Moe as the majority leader and Sen. Dick Day (R-Owatonna) as the minority leader. A second resolution authorizes a stipend of up to \$50 per week for Senate Interns and provides for a housing allowance of up to \$300 per month for interns enrolled in an intern program at a post-secondary institution outside the seven-county Metropolitan Area. The final resolution sets committee deadlines for the session. Under the resolution the first deadline, for Senate committees to hear bills originating in the Senate, is Fri., Feb. 13. The second deadline, for Senate committees to hear bills originating in the other body, is Fri., Feb. 20. The third deadline, for omnibus budget bills, is Fri., Feb. 27.

The committee also approved several items dealing with the internal operations of the Senate, including additions to the permanent and temporary employee rosters. In addition, members adopted policies relating to job-sharing and zero tolerance of violence.

Transportation Budget Division

Carrier dereg bill advances

The Transportation Budget Division met for the first time Tues., Jan. 20, to hear Sen. Steven Morse (DFL-Dakota)

present S.F. 1167. Calling it "a major step in deregulation of routes and rates of charter buses and other passenger carriers," Morse explained that the bill he authored removes existing restrictions on entry, rates, and geographical scope of service for regular route and charter carriers of passengers. It replaces these regulations with an annual safety audit by MnDOT and adds new fee requirements.

Sen. Janet Johnson (DFL-North Branch), chair of the Division, asked Morse to explain the financial implications of S.F. 1167. He told the panel that in FY 99 and FY 00 the bill is almost revenue neutral, according to MnDOT projections. An annual revenue savings of \$35 million is projected by FY 01.

Ward Briggs, director of the Office of Motor Carriers at MnDOT, told the panel that expenditures will be \$435 million in FY 99, and \$374 million in FY 00 and FY 01. In FY#99, MnDOT will absorb \$277 million of the expenditures, which are mostly related to start-up costs, he said. The bill raises the additional \$158 million through registration fees and appropriates it out of the trunk highway fund.

The bill provides an annual registration fee of \$500 for each carrier and a \$40 annual registration fee for each vehicle. The revenue raised through the registration fees will go into the trunk highway fund. By FY 00 revenues from the trunk highway fund are projected to fall only \$10 million short of expenditures. By FY 01, revenues are expected to exceed expenditures by \$35 million.

The panel heard testimony in support of the bill from Tom Ready, president of Ready Bus Lines in LaCrescent. He told members many motor carriers of passengers are in favor of the bill's deregulation of rates and routes, which they see "as a way to help open up competition in the market." In the last 18 months, he said, there has been a large move toward consolidation of the transportation industry which is shutting down competition from smaller carriers.

Sen. Dave Johnson (DFL-Bloomington) said he wondered how consumers will be affected by the deregulation. In response, Morse said, "I

Committee update

believe we'll get more service, more cheaply, with this, which I don't always believe with deregulation." He added that MnDOT worked with local chambers of commerce and tourist organizations on the bill.

Clara Schmidt-Gonzales, representing the Licensing Division of the city of Minneapolis, said the division has some concerns about enforcement. She said that if there are significant enforcement problems, the division will be back the next year to ask for that to be covered.

David Danbrow, representing the Metropolitan Airports Commission, said that MAC's concern was how quickly the deregulation becomes effective.

Maureen Scallon, president of Airport Express Coach USA and a representative of an association of carrier service providers, told the panel that while the association has had little time to look at the bill, "in concept, we are agreeable." However, she said, "I do question the short time frame, with a deadline of Jan. 1, 1999." She also raised concerns about the effect of deregulation on regular-route service.

The motion to advance S.F.1167 to the Transportation Policy Committee was approved on a voice vote.

Transportation

NEAC presents recommendations

The Transportation Committee, chaired by Sen. Carol Flynn (DFL-Mpls.), heard testimony Wed., Jan. 21, from members of the Nonfelony Enforcement Advisory Committee (NEAC) relating to S.F. 1022. The bill, authored by Flynn, recodifies traffic regulations and creates a vehicle code, as recommended by NEAC.

NEAC Chair Roger Battreall explained to the panel that in 1993 the Legislature mandated NEAC in 1993 to look at the overall structure of existing criminal and traffic codes. NEAC consisted of representatives from the criminal justice community who were appointed by the chairs of the Senate Crime Prevention and House Judiciary Committees. After a four-year study, NEAC completed its final report Jan. 15, 1997.

Among the recommendations of the report are a complete recodification of the state's criminal and vehicle provisions. Battreall said current provisions lack an overall structure, which will be corrected through recodification. S.F. 1022 consolidates existing statutes relating to traffic offenses (currently in chapters 168,169,171, and 609) into a new family of chapters (169A through 169N). Battreall reported that "law enforcement was very excited about the new structure" because it makes the traffic code easier to use.

NEAC also recommends structural changes to the criminal penalty scheme. These structural changes include establishing two additional penalty levels for nonfelony offenses, resulting in a five-tiered penalty structure (gross misdemeanors, first degree misdemeanors, second degree misdemeanors, third degree misdemeanors and infractions). Under the current penalties, a vehicle misdemeanor carries a penalty of up to 90 days and \$700. Under the penalty scheme recommended by NEAC, a first-degree misdemeanor carries up to 180 days and a fine of up to \$1,500; second degree carries up to 90 days and \$1,000; and third degree carries up to 30 days and \$750.

Infractions take the place of existing petty misdemeanors and are treated as "civil" in nature. The burden of proof is "clear and convincing evidence" rather than "proof beyond a reasonable doubt." Failure to pay the penalty (or to appear in court on the offense) for an infraction are dealt with through enhanced fine collection tools. Bench warrants are no longer issued for failure to appear on a parking violation or speeding ticket, or to pay a fine that has been ordered by the court for such offenses under the bill.

The NEAC recommends the changes to achieve greater proportionality in penalties. Battreall told the committee "We make no distinction between driving without a license and a first time DWI offense." Under the current code, both are misdemeanors carrying a maximum penalty of a \$700 dollar fine and /or 90 day incarceration. The new code reduces the penalty for first-time offenses of driving without a license to an infraction,

with misdemeanor penalties for repeat offenders.

Sen. Randy Kelly (DFL-St. Paul) raised objections to the replacement of petty misdemeanors with civil infractions. "Driving after suspension of a license should be more than a civil infraction, which seems very minor," he said. Battreall responded that when minor traffic offenses go to court, necessitating court appearances and a public defender, they take time away from more serious offenses. Kelly said there is evidence that if the judicial system minimizes less serious offenses, it leads to bigger crime. He said, "We ought to be clamping down very hard on small offenses" before they lead to bigger ones."

Robert Johnson, Anoka County Attorney, who chaired the NEAC Working Group, said that when they looked at how very minor offenses are processed, "We found that in one morning, there were upwards of 500 people for one judge to process on minor traffic violations."

Kelly said, though, that he still favors "swift and early intervention," even for small traffic violations. Prof. Ken Kirwin, NEAC reporter, responded that the reorganized vehicle code does provide swift and early action. Under the new code, the infraction penalty is increased from \$200 to \$500, he said.

The NEAC also examined system effectiveness and recommends several improvements that include allowing the District Courts to make expanded use of violations bureaus and hearing officers in disposing of infraction violations. The Transportation Committee will hear more NEAC testimony Thurs., Jan. 22.

Information Services

To find out more information about the Minnesota Senate, call the Senate Information Office at (612) 296-0504 or, toll free, 1-888-234-1112. The staff can help you identify your Senator, tell you bill status, bill numbers and bill authors. In addition check out the Senate's www site at <http://www.senate.leg.state.mn.us> for even more information about the Minnesota Senate.

Preview

Monday, January 26

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

8 a.m. Room 123 Capitol

Agenda: Minnesota Zoo supplemental budget and bonding; DNR supplemental budget. Landfill liability report.

Transportation Budget Division

Chair: Sen. Janet Johnson

9 a.m. Room 112 Capitol

Agenda: Review of supplemental and capital budgets.

The Senate will meet at 11:30 a.m.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: S.F. 1180-Hanson: Allowing people 65 and older to hunt big game or turkey with a crossbow. S.F. 2111-Samuels: Extends period for fish house licenses. S.F. 2171-Lessard: Snowmobile safety training.

Judiciary Committee

Chair: Sen. Jane Ranum

12 noon Room 15 Capitol

Agenda: S.F. 2230-Wiener: Modifying definition of housing for the elderly; S.F. 66-Higgins: Landlord/tenant law recodification; S.F. 2031-Betzold: Technical changes in real estate and probate areas and in the Revised Uniform Partnership Act.

Crime Prevention Committee

Chair: Sen. Allan Spear

2 p.m. Room 15 Capitol

Agenda: S.F. 2079-Junge: Release of sex offender registration information. S.F. 2089-Berglin: Criminal liability of burglary accomplices. S.F. 2090-Berglin: Community restorative justice programs. S.F. 2097-Kelly, R.C.: Penalty increase for crimes committed for a gang.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman

2 p.m. Room 107 Capitol

Agenda: S.F. 2017-Moe: Bridges Medical

Center competitive bid requirement exemption. S.F. 2051-Cohen: Use of sales tax revenue in the city of St. Paul. S.F. 2156-Higgins: Increasing the dollar amount for Hennepin County small purchases. Presentation by Advisory Council on Community-based Planning, Sen. Steven Morse and Randy Jorgenson, co-chairs.

Health and Family Security Budget Division

Chair: Sen. Don Samuelson

5:30 p.m. Room 123 Capitol

Agenda: Supplemental budget overview - DHS staff. Update on budget forecast - George Hoffman.

Tuesday, January 27

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper

8 a.m. Room 15 Capitol

Agenda: Overview of Office of Community Services-Department of Children, Families and Learning; Child Care Development grants, Early Childhood Technology grants, Early Head Start grants, Early Childhood Family Education-Infant Development grants, Prevention and Intervention grants.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

8 a.m. Room 107 Capitol

Agenda: Supplemental budget presentations by MnSCU and U of M.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller

8 a.m. Room 112 Capitol

Agenda: SF 2059-Olson: Eliminating the State Board of Education. Reports from subcommittees.

Health and Family Security Committee

Chair: Sen. John Hottinger

10 a.m. Room 15 Capitol

Agenda: S.F. 2146-Morse: Office of Health Care Consumer Assistance, Advocacy and Information. Department of Health bills: S.F. XXXX-Morse: Public water supply program. S.F. XXXX-Sams: Critical access hospitals.

Joint Meeting of Jobs, Energy and Community Development Committee and Economic Development Budget Division

Chairs: Sen. Steven Novak and Sen. Tracy Beckman

10 a.m. Room 123 Capitol

Agenda: Review of supplemental budget, Department of Trade and Economic Development, Department of Economic Security. Possible review of agency bills if time allows.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

12 noon Room 15 Capitol

Agenda: S.F. 161-Wiener: Amendment to abolish the office of the state treasurer. S.F. XXXX-Wiener: Recommendations from the Joint Senate Subcommittee on Occupational Licensure. S.F. 1946-Junge: State employee disaster service volunteer bill.

Transportation Budget Division

Chair: Sen. Janet Johnson

12 noon Room 112 Capitol

Agenda: Review of supplemental and capital budgets.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams

2 p.m. Room 107 Capitol

Agenda: S.F. 2077-Stumpf: Authorizing the commissioner of agriculture to provide compensation for livestock destroyed by timber wolves. S.F. 2125-Vickerman: Appropriating money for the Passing on the FarmCenter. Minnesota Agriculture Education Leadership Council (MAELC) update. Regional Sustainable Agricultural Grant, University of Minnesota.

Commerce Committee

Chair: Sen. Sam Solon

2 p.m. Room 112 Capitol

Agenda: Agenda: Bev Turner, Insurance Federation of Minnesota; Commissioner David Gruenes - Flood insurance overview. S.F. 908-Oliver: Trust company Recodification Act. S.F. 2047-Novak: Regulating the sales of manufactured

Preview

homes and authorizing limited dealer's licenses. S.F. 2068-Kelley, S.P.: Making technical changes to electronic messaging laws.

Governmental Operations Budget Division

Chair: Sen. Len Price

4 p.m. Room 125 Capitol

Agenda: Dept. of Admin. supplemental budget review.

Human Resources Finance Committee

Chair: Sen. Linda Berglin

4 p.m. Room 112 Capitol

Agenda: Task Force recommendations on Fetal Alcohol Syndrome and governor's bonding recommendations.

Taxes Subcommittee on Income and Sales Tax

Chair: Sen. Steve Murphy

4 p.m. Room 15 Capitol

Agenda: Overview of Dept. of Revenue policy, technical and petroleum tax recodification bills.

Transportation Budget Division

Chair: Sen. Janet Johnson

4 p.m. Room 318 Capitol

Agenda: Supplemental and capital budgets.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

6 p.m. Room 107 Capitol

Agenda: S.F. 1971- Belanger: Appropriating money to Savage for fen-related issues; S.F. 1972-Belanger: Appropriating money to Savage for fen-related issues.

Wednesday, January 28

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

7:45 a.m. Meet on Capitol steps

Agenda: Tour of U of M Cities campus.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

8 a.m. Room 123 Capitol

Agenda: State revolving fund - PCA, Dept. of Agriculture, PFA.

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper

8 a.m. Room 15 Capitol

Agenda: Presentation of report Child Care Regulation In Minnesota - DHS.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller

8 a.m. Room 112 Capitol

Agenda: To be announced.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

10 a.m. Room 15 Capitol

Agenda: To be announced.

Transportation Committee

Chair: Sen. Carol Flynn

10 a.m. Room 112 Capitol

Agenda: Report on Twin Cities Metropolitan Commuter Rail Study from MnDOT.

Election Laws Committee

Chair: Sen. John Marty

12 noon Room 112 Capitol

Agenda: S.F. 2221- Wiger: Ramsey County open absentee balloting. S.F. 2118- Higgins: Experimental balloting procedures. S.F. 2148- Scheid: Eligibility for absentee voting. S.F. 2149- Scheid: Updating voter records. S.F. 2256- Marty: Correcting unconstitutional provisions.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: Overview of Health Risk Values by Dept. of Health, PCA and industry.

Judiciary Committee

Chair: Sen. Jane Ranum

12 noon Room 15 Capitol

Agenda: To be announced.

Governmental Operations Budget Division

Chair: Sen. Len Price

2 p.m. Room 125 Capitol

Agenda: Department of Administration, Capital budget review.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman

2 p.m. Room 107 Capitol

Agenda: To be announced.

Thursday, January 29

The Senate will meet at 9:30 a.m.

Health and Family Security Committee

Chair: Sen. John Hottinger

10 a.m. Room 15 Capitol

Agenda: S.F. XXX-Piper: Nuclear Regulatory Commission. S.F. XXX-Sams: Department of Health, Allied Health Occupations. S.F. XXX-Kiscaden: DHS - child welfare.

Jobs, Energy and Community Development Committee

Chair: Sen. Steven Novak

10 a.m. Room 123 Capitol

Agenda: S.F. 2098-Kelley, S.P.: Regulating municipal provision of telecommunications and other utility services.

Joint Governmental Operations and Veterans Committee and Governmental Operations Budget Division

Chairs: Sen. Jim Metzen and Sen. Leonard Price

12 noon Room 15 Capitol

Agenda: Presentation by the Minnesota Amateur Sports Commission.

Transportation Committee

Chair: Sen. Carol Flynn

12 noon Room 112 Capitol

Agenda: To be announced.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams

2 p.m. Room 107 Capitol

Agenda: Feedlot rules update, PCA and Dept. of Agriculture; feedlot initiatives, U of M, public testimony on feedlots.

Commerce Committee

Chair: Sen. Sam Solon

2 p.m. Room 112 Capitol

Agenda: S.F. 2146-Morse: Creating an office of health care consumer assistance. S.F. 2136- Wiener: Financial institutions;

Preview

regulating the use of spousal credit history. S.F. 1814-Scheid: Modifying provisions of the Board of Architecture, Engineering, Land Surveyors, Landscape Architects, Geoscientists, and Interior Design.

State Government Finance Committee

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

Agenda: Impact of federal and world economies on state budget forecasting.

Legislative Coordinating Commission Subcommittee on Employee Relations

Chair: Rep. Loren Solberg

7 p.m. Room 5 State Office Building

Agenda: Reconsideration of proposed Managerial Compensation Plan. Reconsideration of proposed salary increase for the Director of the Higher Education Services Office. Review/approval of subcommittee bill.

Friday, January 30

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper

8 a.m. Room 15 Capitol

Agenda: S.F. 2145-Lourey: Child care licensure; assistance outreach and training. S.F. 2226-Robling: Family day care licensure.

Health and Family Security Subcommittee on Welfare Oversight

Chair: Sen. Becky Lourey

10 a.m. Room 15 Capitol

Agenda: S.F. XXXX- Solon: Modifying welfare provisions. S.F. XXXX- Stevens: DHS welfare reform modification.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: H.F. 1579-Beckman: Game and fish license subagents commission. S.F. 2170-Lessard: Exempting watercraft trailers and all-terrain vehicle trailers from prohibition against Sunday sales. S.F. 2174-Higgins: Modifying state park permit provisions. S.F. 2172-Lessard: Modifying operation provisions of all-terrain vehicles.

Crime Prevention Committee

Chair: Sen. Allan Spear

2 p.m. Room 15 Capitol

Agenda: S.F. 2095-Ranum: Collection and reporting of criminal law enforcement data.

Legislative Audit Commission

Chair: Sen. Deanna Wiener

2 p.m. Room 112 Capitol

Agenda: Review and follow-up on several recent financial audit reports.

Property Taxes and Local Government Budget Division

Chair: Sen. Sandy Pappas

2 p.m. Room 125 Capitol

Agenda: Presentation on the impact of property tax reform on housing.

State Government Finance Committee

Chair: Sen. Richard Cohen

3 p.m. Room 107 Capitol

Agenda: Regional and local economic impacts on state budget forecasting.

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DFL	6-5713	Beckman, Tracy L.	124B Cap.	26	DFL	6-4370	Metzen, James P.	303 Cap.	39
R	6-5975	Belanger, William V.	113 SOB	41	DFL	6-2577	Moe, Roger D.	208 Cap.	2
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R	6-2084	Fischbach, Michelle L.	149 SOB	14	R	6-5981	Ourada, Mark	145 SOB	19
DFL	6-4274	Flynn, Carol	120 Cap.	62	DFL	6-1802	Pappas, Sandra L.	120 Cap.	65
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R	6-8138	Frederickson, Dennis R.	139 SOB	23	DFL	6-9248	Piper, Pat	G-9 Cap.	27
DFL	6-3219	Hanson, Paula E.	328 Cap.	50	DFL	6-7809	Pogemiller, Lawrence J.	235 Cap.	59
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DFL	6-6153	Hottinger, John C.	120 Cap.	24	DFL	7-8061	Ranum, Jane B.	306 Cap.	63
DFL	6-8017	Janezich, Jerry R.	328 Cap.	5	R	6-4314	Robertson, Martha R.	125 SOB	45
DFL	6-9261	Johnson, Dave	111 Cap.	40	R	6-4123	Robling, Claire A.	151 SOB	35
R	6-3826	Johnson, Dean E.	117 SOB	15	R	6-1253	Runbeck, Linda	107 SOB	53
DFL	6-8881	Johnson, Douglas J.	205 Cap.	6	DFL	7-8063	Sams, Dallas C.	328 Cap.	11
DFL	6-5419	Johnson, Janet B.	G-9 Cap.	18	DFL	6-4875	Samuelson, Don	124 Cap.	12
DFL	6-2889	Junge, Ember R.	205 Cap.	46	R	6-3903	Scheevel, Kenric J.	129 SOB	31
DFL	7-8065	Kelley, Steve	321 Cap.	44	DFL	6-8869	Scheid, Linda	317 Cap.	47
DFL	6-5285	Kelly, Randy C.	323 Cap.	67	DFL	6-4188	Solon, Sam G.	303 Cap.	7
R	6-4848	Kiscaden, Sheila M.	135 SOB	30	DFL	6-4191	Spear, Allan H.	120 Cap.	60
R	6-6455	Kleis, Dave	143 SOB	16	R	6-8075	Stevens, Dan	105 SOB	17
R	6-4120	Knutson, David L.	133 SOB	36	DFL	6-8660	Stumpf, LeRoy A.	G-24 Cap.	1
DFL	6-7061	Krentz, Jane	235 Cap.	51	DFL	6-4913	Ten Eyck, David J.	G-24F Cap.	4
R	6-4351	Laidig, Gary W.	141 SOB	56	R	6-6238	Terwilliger, Roy	115 SOB	42
DFL	6-3205	Langseth, Keith	122 Cap.	9	DFL	6-5650	Vickerman, Jim	226 Cap.	22
R	6-5655	Larson, Cal	153 SOB	10	DFL	7-8073	Wiener, Deanna L.	303 Cap.	38
R	6-4125	Lesewski, Arlene J.	131 SOB	21	DFL	6-6820	Wiger, Charles W.	325 Cap.	55
DFL	6-4136	Lessard, Bob	111 Cap.	3	Capitol address: 75 Constitution Avenue				
R	6-2159	Limmer, Warren	127 SOB	33	State Office Building address: 100 Constitution Avenue				
DFL	6-0293	Lourey, Becky	G-9 Cap.	8	St. Paul, MN 55155				

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Photo by Andrea Murrill.



January 30, 1998

Senate Highlights

Former governor honored

The Senate held a brief floor session Mon., Jan. 26, in order to process bill introductions and take care of routine business at the Senate Desk.

A highlight of the session was the passage of a resolution eulogizing and commemorating the life and work of former Gov. C. Elmer Anderson. Anderson died Thurs., Jan. 22. The resolution, sponsored by Sen. Don Samuelson (DFL-Brainerd) cited Anderson's integrity and long history of public service. The resolution will be forwarded to the late governor's family.

Brief session held

Members held the second brief floor session of the week, Thurs., Jan. 28, in order to process a record 240 bill introductions. In addition, Senators granted final passage to a bill on the Consent Calendar. A bill on the Consent Calendar was placed there by a recommendation of a standing committee which considered the bill to be noncontroversial. Bills on the Consent Calendar are considered for final passage after having received two readings and having been acted upon by one or more standing

committees. Consent Calendar bills do not appear on General Orders and are not considered by the Senate acting as a Committee of the Whole.

S.F. 2041, authored by Sen. Douglas Johnson (DFL-Tower), allows the 1997 property tax rebate to be given to those taxpayers who prepaid their property taxes. The measure was granted final passage on a vote of 59-0.

In other action, Sen. Steve Dille (R-Dassel) speaking on a point of personal privilege, drew members attention to the fact that Fri., Jan. 30, marks the 30th anniversary of the 1968 Tet Offensive in the Viet Nam War. Sen. Don Betzold (DFL-Fridley), also speaking on a point of personal privilege, eulogized long-time local T.V. news anchor Dave Moore, who died Weds., Jan. 28.

School board bill heard

A bill abolishing the State Board of Education was heard by the K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), Tues., Jan. 27. S.F. 2059, authored by Sen. Gen Olson (R-Minnetrista), who told members, "we shouldn't let a non-elected body have the authority to set education policy."

The State Board of Education is an appointed board which oversees education policy in the state and has rule-making authority. The governor appoints the nine members of the board, one from each of Minnesota's eight congressional districts and one at-large. The duties of the board include approving applications for charter schools, setting graduation requirements, and determining desegregation and educational diversity policies. It is also the governing board for the Minnesota State Academies for the Deaf and the Blind in Faribault.

S.F. 2059, the bill authored by Olson, abolishes the board and transfers almost all of its duties to the commissioner of the Dept. of Children, Families, and Learning (CFL). The commissioner, who is also appointed by the governor, oversees CFL, which is responsible for implementing legislative policies on education.

According to Olson, the bill addresses the issue of who should have policy-making responsibility in education. "Should it be people who are elected, and are therefore accountable to the public, or should it be people who are appointed, and are therefore somewhat sheltered from accountability," she said.

Olson said the impetus for the bill was the board's handling of the educational diversity rule. The rule would have required Minnesota schools to use multicultural curricula and to track student performance by race and gender. Olson said, "We allowed the state board to write the policy on desegregation rather than the Legislature giving clear policy."

Olson said eliminating the state board will clarify that it is the Legislature which has the authority to make education policy in the state. The CFL commissioner will carry out that policy as directed by the Legislature, she said.

The bill creates a new board to oversee the Faribault Academies for the Deaf and the Blind. Sen. Thomas Neuville (R-Northfield) offered an amendment regarding the composition of the new board. The amendment states that three members of the 7-member board must be from the seven-county Metro Area, three members must be from Greater Minnesota, and one member may be appointed at-large. The board must be composed of one superintendent of an

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independent school district, one special education director, the CFL commissioner or the commissioner's designee, one member of the blind community, one member of the deaf community, and two members of the general public with business or financial expertise.

Some members expressed reluctance to abolish the State Board of Education without more study of the problem. Sen. Jane Krentz (DFL-May Township) distributed the draft of a bill establishing an interim task force to study and recommend a pre-K-12 education governance structure. Olson said, "I could see delaying an effective date (for the bill), so that one more session would have a chance to repeal it."

The members heard testimony from a former member of the State Board of Education, Bob Brown. Brown congratulated Olson for raising the issue because the issue of school governance is very important. He said, "I think the question is, what is the structure of governance that least interferes with children's ability to learn?" Brown said in order to answer that question he thought Krentz's proposal for an entire review of the structure was a good one.

The members also heard testimony from Jeanne Kling, the acting president of the State Board of Education. Kling said, "The school board welcomes this discussion and agrees with much of what Sen. Olson is saying, and that we need to do better." But, she disagreed with the idea that eliminating the state board will increase accountability in education policy-making. She said, "Accountability in CFL is increased by state board oversight." While open meeting laws apply to the state board, they no longer apply if authority is given to the CFL commissioner, she said.

She also pointed out that there have been five CFL commissioners in the past 3 years. She said, "The frequent turnover (in commissioners) causes problems of continuity in education policy-making."

The K-12 Education Budget Division also heard brief subcommittee reports. Senator Wiger (DFL-North St. Paul) reported on the Facilities and Infrastructure Subcommittee, which he chaired. He presented the subcommittee's report and said its recommendations will be presented in a bill later. Sen. Martha Robertson (R-Minnetonka) presented the report of the Special Education subcom-

mittee, which she chaired, and said a bill would come later. Sen. Linda Scheid (DFL-Brooklyn Park) reported on the Income, Race and Results subcommittee she chaired. Krentz and Sen. Paula Hanson (DFL-Ham Lake) presented the contents of the draft legislation produced by the Subcommittee on Equity Funding, Tax Rates and Revenue for Property Poor Suburban and Rural Districts, which they co-chaired. And Olson presented the Tax Credit/Deduction and Accountability Subcommittee report.

State budget surplus

Senators heard testimony regarding the state budget surplus at a joint meeting of the Human Resources Finance Committee, the Education Finance Committee, and the State Government Finance Committee, Friday, Jan. 23. The informational hearing was chaired by Human Resources Finance Chair Linda Berglin (DFL-Minneapolis), Education Finance Committee Chair Sen. Keith Langseth (DFL-Glyndon), and State Government Finance Committee Chair Richard Cohen (DFL-St. Paul).

State Economist Tom Stinson told members that Minnesota's economy is much stronger in 1997-98 than anyone forecast. "The inflation outlook for 1997 was 2.7 percent and 1998 is 2.4 percent.

Stinson said in April, 1997, payments for tax year 1996 that came into the state were \$200 million more than expected. "Of the increased revenue, \$60 million was from one large acquisition of a Minnesota firm by a Canadian company," Stinson said.

Stinson added that 1997 was a good year for middle class workers who began to see benefits from the economic expansion. "Real wages increased by 2.5 percent in 1997," he said.

Stinson said 40 percent of all gains in 1998-99 are expected in the area of capital gains. He said economists believe that the lower tax rate will encourage individuals to take profits on their investments more quickly, increasing the net capital gains income subject to the income tax. Since Minnesota's tax rate on capital gains tax rate is unaffected by the federal change, Minnesota revenues are expected to increase, he said. "There is a lot of revenue being generated," Stinson said, "and we still have one of the most conservative forecasts in the country."

According to the Minnesota Financial Report, presented to Senators, economists generally agree the good news shows no sign of ending soon because there appear to be no significant destabilizing forces developing. Stinson added, "we are not isolated in Minnesota so the state should keep close watch on uncertain Asian economies." He called the threat to the economy the greatest since the 1990 Gulf War. "Five percent of Minnesota exports go to the Asian economies that are the most fragile," Stinson said. Stinson advised Senators to consider putting \$200 million in the reserve fund to minimize effects on Minnesota's economy if problems worsen in Asian markets.

Sen. Martha Robertson (R-Minnetonka) asked Stinson why the state needs a fund to deal with problems in Asian economies and why are these concerns not included in the budget forecast before the committee members? Stinson said the reason for the fund would be to minimize the downside of any problems with the forecast if it is to high. He added that the "next forecast will include that risk," but the last forecast was formulated before the possible Asian economic problems were anticipated.

Robertson asked what the total debt service is. Peter Sausen, assistant commissioner for Cash and Debt Management, said current debt service is \$650 million for 1998-99 with 98 percent of the bonds authorized issued. "The state has \$2.1 billion in outstanding debt," he added. The state usually limits the bonding bill to 3 percent of total revenues, but that is not a statutory requirement.

Cohen said that maybe the state should spend less on bonding in good economic times and save the extra revenue for downturns in the economy. Cohen asked what other states hold themselves to when it comes to bonding. Sausen responded that there is not uniformity between states on the matter of percentage of revenue used for bonding bills.

Commissioner of Finance Wayne Simoneau told the assembled Senators that in recent years there has been some narrowing of the gap between the rich and poor in Minnesota. "The labor market here is tighter than anywhere in the country," he said.

Committee update

Commerce Committee

Insurance overviews heard

Beverly Turner, of the Insurance Federation of Minnesota, told the Commerce Committee Tues., Jan. 27, that the insurance industry is one of the fastest-growing fields in the nation.

"It grew more than 15 percent between 1994 and 1996," she said, and nearly 72,000 Minnesotans worked in the industry in 1996. Turner said that the statewide insurance payroll in Minnesota in 1996 was \$2.6 billion, a figure 22 percent higher than 1994.

The committee then discussed proposed amendments to S.F. 2068, last year's Electronic Authentication Act, authored by Sen. Steve Kelley (DFL-Hopkins). The bill passed last year defined the scope and uses of digital signatures, and provided for certification authorities, licensing and enforcement powers, and rulemaking for digital signature oversight.

Proposed by a task force formed by the Secretary of State and taking into consideration changes adopted in the state of Washington, the bill makes several major changes to the law. One of the major changes allows the Secretary of State to temporarily halt the operation of a certification authority when its conduct is a violation of law or will cause serious risk of loss to the public. Other changes switch the responsibility of the Secretary of State from a temporary certification authority to providing certification authority services and add summary suspension to the list of tools the Secretary of State has to respond to possibly risky or disobedient activity of a certification authority.

The Secretary of State is now given the authority to complete a suspension within 24 hours of getting the information, regardless of what the parties have agreed to. The Secretary of State can also stop a certificate suspension if a subscriber reinstates its status. In addition, once a certificate authority gives notice of suspension to a subscriber, any warranties from the certification authority cease for subsequent transactions. Members approved the bill and re-referred it to the Governmental Operations and Veterans Committee

The committee, chaired by Sen. Sam Solon (DFL-Duluth), then heard the flood insurance overview from the David

Gruenes, Commissioner of the Department of Commerce. He said that the current bonding bill for this year would be dwarfed by the flood relief efforts undertaken in Minnesota and the Dakotas, in which an excess of \$1 billion was spent. Despite this, he expressed concern that Minnesota had the lowest penetration of flood insurance per person in the country, three out of every 1,000 people.

S.F. 908, authored by Sen. Edward Oliver (R-Deephaven), was approved and sent to the floor. The bill establishes trust companies' organization, powers and duties separately from banks, and provides fiduciary provision for trust companies and banks exercising trust powers. S.F. 2047, a bill authored by Sen. Steven Novak (DFL-New Brighton), was also approved and sent to the floor. The bill, which regulates the sales and licensing of manufactured homes, creates a new class of license for manufactured home sales. The license will permit owners of a manufactured home park to engage in limited sales of homes on the lot, with a maximum of five sales a year.

Crime Prevention

DOC presents proposals

The Dept. of Corrections (DOC) presented capital budget requests to the Crime Prevention Committee, chaired by Sen. Allan Spear (DFL-Mpls.), and the Crime Prevention and Judiciary Budget Division, chaired by Sen. Randy Kelly (DFL-St. Paul), Fri., Jan. 23. It was a continuation of their presentation begun at a joint meeting during the interim, Dec. 16, 1997.

Juvenile Services Director Debbie Eng announced the DOC had completed its report on the Sauk Centre correctional facility for juvenile sex offenders, required by a legislative directive to the department last year. The omnibus crime prevention bill, signed into law last year, required that male juvenile offenders be moved from Sauk Centre by the end of this year, and transferred to Red Wing.

Despite that directive, Eng told the panel that DOC recommends the Sauk Centre facility continue to provide treatment for male juveniles. They propose Sauk Centre provide special needs programming for juvenile male sex offenders and for juvenile male offenders with emotional disturbances who are rejected from other programs. The

department also recommends that the adolescent female population remain at Sauk Centre until alternative programming options are developed.

Kelly asked Eng to explain why DOC proposes reversing last year's decision by the Legislature to close the male juvenile program at Sauk Centre. Eng responded, "A number of people are very pleased with the juvenile sex offender program at Sauk Centre. We got such a huge positive response to the program that we decided to ask the Legislature to retain the facility (there)." An evaluation of the program by the University of Minnesota was very positive, she said, and "the attitude is that something is working here."

She added that another consideration that favors the program staying at Sauk Centre is that the trained staff at the facility have expressed reluctance to transfer to Red Wing. "I can't say where staff will go. But there will be an impact, at least initially," Eng said.

Kelly said he prefers to carry out the law that was passed in 1997. "It was not without stress to consolidate male juvenile sex offenders. I didn't go through that just to have us reverse it the following year." Spear expressed similar sentiment, saying, "I don't see why one place can't work as well as another."

The panel next heard testimony from Dick Mulcrone, assistant commissioner for Community Services at the DOC. Mulcrone presented the capital budget requests for Community Services, a division which has 330 employees and administers \$83 million annually.

He first presented a proposal for a project to build affordable housing for low-income families, using inmate labor in their construction. The division requests \$1 million for a start-up fund for the project. Community Services will build houses valued at \$40,000-\$50,000, and will sell them at that price to low income families. Those families will make monthly payments of about \$280 over a 30-year period, he said.

In order to keep construction costs at around \$40,000 per house, the department proposes using the labor of inmates who are under the custody of the DOC. The department will also contract with private vendors but, he said, without using inmate labor, "this project has no hope of being done." Using inmate labor in the project, in addition to keeping

costs low, contributes to keeping inmates productively occupied and gives them the opportunity to develop skills they can use after they are released, he said.

Sen. Leo Foley (DFL-Anoka) said, "I don't think it's appropriate to use public funds for a project that employs inmate labor." Spear responded that he was in favor of the proposal. "These homes are needed (but) nobody in the private sector is building homes like these because it's just not feasible. . . . We've been talking in this committee for some years about trying to find meaningful work for inmates, and I think this is a very creative response to the problem."

Deputy Commissioner of Corrections Dennis Benson told the panel, "Without this initiative, this kind of housing would not get built."

Mulcrone then moved to comments on the Criminal Notification Law, passed last year by the Legislature. The law requires that police inform a community when a released sex offender is about to establish residence in that jurisdiction. Mulcrone said that high-level sex offenders have had enormous difficulty finding placements in the community. Placement plans for sex offenders often fail as it becomes known where they are going to be placed, he said. Potential landlords and neighborhood residents join together to prevent sex offenders from moving in, "making nomads out of our most serious offenders," he said.

Mulcrone told the panel, "We need to change the statute to make it a violation of law to interfere with the placement of released sex offenders." He said the DOC will present several suggestions regarding the Criminal Notification Law for action this session.

After the joint meeting ended, the Crime Prevention and Judiciary Budget Division held a meeting. Carol Sheehan, the director of Health Services for Corrections, presented a capital budget request for a health care initiative at the Oak Park Heights Correctional Facility. Oak Park Heights is the state's maximum-security facility with a capacity of 393 inmates. The governor's capital budget plan for corrections recommends \$3.3 million to expand infirmary and mental health beds in order to effectively meet the increasing medical needs of the inmate population and enhance cost containment efforts in the inmate health care delivery system.

According to Sheehan, the project will convert a special housing unit at the facility into the mental health unit (MHU), expanding MHU beds from 22 to 52. It will convert existing MHU beds into infirmary beds. The new, higher-capacity infirmary will allow the DOC to provide more care on-site rather than bringing inmates to Regions Hospital in St. Paul, she said.

The request also includes design funding to add a 60-bed high security segregation unit for control of violent inmates. The population of the segregation unit is currently 50 percent over capacity and growing. The governor's capital budget requests for corrections total \$17.8 million.

Restorative justice plan okayed

A bill authorizing community restorative justice programs was one of the highlights of the Mon., Jan. 26, Crime Prevention Committee meeting. The panel, chaired by Sen. Allan Spear (DFL-Mpls.), also heard bills dealing with the criminal liability of burglary accomplices and with changing some provisions of the release of sex offender registration information.

S.F. 2090, sponsored by Sen. Linda Berglin (DFL-Mpls.), authorizes the establishment of community restorative justice programs at the neighborhood level and appropriates funds for existing programs. Community restorative justice programs provide forums where individuals charged with, or petitioned for, having committed an offense, meet with the victim, the victim's family members, the offender's family members, law enforcement and members of the community in order to discuss the impact of the offense on the victim and the community. In addition, the meeting provides support to the victim, assigns an appropriate sanction to the offender and provides methods for reintegrating both the victim and the offender into community life. Gena Gerard, a community restorative justice program coordinator for the Central City Neighborhoods Partnership, said that the program "puts accountability back in the equation" when dealing with the so-called "livability crimes." Other representatives of the Central City Neighborhoods Partnership also spoke on behalf of the measure. Gerard said, "The programs initially has focused on the crimes of soliciting

prostitution, because the program provides the relief the community craves." The measure was approved and referred to the Crime Prevention Judiciary Budget Division.

The panel also approved a bill clarifying that criminal liability for burglary extends to persons who violate the law either directly or as an accomplices. S.F. 2089, also sponsored by Berglin, is an attempt to make it easier to prosecute individuals for first, second, third and fourth degree burglary. According to Paul Scoggin of the Hennepin County Attorney's Office, law enforcement personnel sometimes have difficulty in charging individuals with burglary, even though the individuals are found on the property, because it cannot be determined which individual actually broke into the property. The bill allows those individuals to be charged as accomplices with the same penalties as burglary. Jana Metge, a community organizer, spoke of her experience as a victim of burglary. She said that even though the individuals who broke into her home, stole property and vandalized her home were caught, the police had difficulty in bringing burglary charges because the police could not determine if the three individuals found at the residence were the individuals who originally committed the burglary. Scoggins said that law enforcement is encountering a type of burglary in which a home is broken into, vandalized, and then used as a "crib" for several days. Typically, he said, the best that can be done is charge the perpetrators with trespass crimes. Sen. Leo Foley (DFL-Anoka) said that it might be more effective to strengthen the penalties for trespass than to enact the bill. Scoggins responded that making trespass a felony would have a huge bed impact on the corrections system. The bill was approved and advanced to the Senate floor.

The committee also advanced a third bill. S.F. 2079, authored by Sen. Ember Junge (DFL-New Hope), authorizes the release of sex offender registration data to promote public safety and requires property owners convicted of background check crimes to notify tenants. Junge said the bill is an attempt to plug two holes in current law. The first, authorizing the release of sex offender registration data to the extent that a law enforcement agency determines the information will promote public safety, gets at situations in which

Committee update

an offender was released before the community notification law became effective. The second, requiring property owners, who also have the means to enter tenants' dwelling units, notify all tenants and prospective tenants if they have been convicted of a background check crime. The current law, the Kari Koskinen Manager Background Check Act, requires background checks on prospective caretakers and building managers and prohibits persons who have been convicted of certain crimes from being hired, but has no provision for owners who may have been convicted of such crimes before the law went into effect. The measure was approved and referred to the Judiciary Committee.

Crime Prevention and Judiciary Budget Division

Crime reports heard

The Crime Prevention and Judiciary Budget Division, chaired by Sen. Randy Kelly (DFL-St. Paul), met Weds., Jan. 28, to hear updates from members of the Auto Theft Prevention Board and the Criminal Gang Strike Force Council. Both programs are a result of legislation passed in recent years.

Dennis Roske, chair of the Auto Theft Prevention Board, outlined the work of the board over the course of the last year. Roske said statistics for 1996 show, that while the rate of violent crime and most property crime has dropped, the rate of auto theft has increased by 14.5 percent. The board is charged with sponsoring state wide plans, programs and strategies to combat auto theft, Roske said. To that end, the board of directors is authorized to award grants from a special fund for programs that address the problem of auto theft. Thus far, Roske said, the board has awarded 28 grants, totalling \$1.201 million. The grants go to various jurisdictions for a range of programs, including training, public education, expansion of resources for existing auto theft prevention, investigation, apprehension or prosecution activities and multi-jurisdictional projects, he said.

Members also heard from several speakers representing the Criminal Gang Oversight Council and the Statewide Gang Strike Force. Ron Ryan, statewide commander of the council, ex-

plained that the council is the administrative body that oversees the Statewide Gang Strike Force. The Gang Strike Force was created by the Legislature last year as a statewide law enforcement agency made up of police officers from various jurisdictions. The aim of the strike force, Ryan said, is to rid neighborhoods of the organized crime groups that make neighborhoods unsafe and unlivable. Ryan said that the strike force consists of five regions: Metro, Northeast, Southwest, Central and Northwest and brings together the expertise and viewpoints of many experienced law enforcement officers. According to Ryan, the gang strike force has several goals: to identify and seek prosecution of those individuals who are most criminally active in a gang, to identify and prosecute those who hold leadership positions in gangs, to put together long-term investigations in order to break up a gang's organizational structure, to obtain information about gangs operating in Minnesota, to determine links with gangs in other states and to facilitate the sharing of information across jurisdictions.

Election Laws

Absentee voter bills gain

Five bills, including three that expand or extend voters' ability to vote by absentee ballot, were approved at a Weds., Jan. 28, meeting of the Election Laws Committee.

A bill extending Ramsey County's open absentee voter authorization two more years, S.F. 2221, sponsored by Sen. Charles Wiger (DFL-North St. Paul), was considered first by the committee. Under the initial open absentee voting pilot project, voters were able to cast absentee ballots without meeting a list of acceptable reasons. Victoria Reinhardt, Ramsey County Commissioner from District 7, presented statistics indicating increased use of the absentee ballot program during the initial pilot project. She said that a survey conducted of absentee voters found a 98 percent satisfaction rate, with many users saying they were excited and pleased with the program.

Opposition to open absentee voting was voiced by Sen. Mark Ourada (R-Buffalo). Ourada said voting "is a full contact sport and I take pride in going to the polling place to vote." He said that the reason that many don't vote is because they doubt the significance of their vote. If

elected officials address that concern, Ourada said, "we'd be further down the road toward increasing voter turnout."

Sen. Linda Scheid (DFL-Brooklyn Park) defended the bill, saying that it doesn't matter how voting makes a person feel, but it is important that people vote. She said that with today's different lifestyles, voting needs to be more convenient. Scheid cited several reasons why voting can be difficult including single-parent families that have child care issues, and others who don't have transportation. "If we make it easier to vote, we're not demeaning their vote," Scheid said.

Wiger also defended the bill saying that under the pilot project, 50 percent of the absentee voters would not have been able to vote without open absentee voting, and there is no evidence of voter fraud. Wiger also said that the absentee voting program is easier for voters with disabilities because they don't have to stand in long lines. The committee approved the bill and advanced it to the Senate floor.

The committee also considered S.F. 2118, sponsored by Sen. Linda Higgins (DFL-Mpls.) Higgins said her bill authorizes an open absentee voting program in Senate District 58. Higgins cited a variety of reasons why voter turnout is historically low in her district, including the high incidence of poverty, a large population of children and a large number of felons whose voting rights have not been restored. Scheid offered an amendment to expand the affected area to all of Hennepin County. The panel adopted the amendment and sent the bill to the Senate floor.

Scheid presented her bill, S.F. 2148, permanently broadening open absentee voting to the entire state. Scheid said her bill requires a person applying for an absentee ballot to state the reason they are unable to vote at the poll, but it repeals the list of acceptable reasons for voting absentee. Ourada was concerned that there would be no criteria for determining eligibility for voting absentee. Scheid answered that by saying that people who might give a flippant reason probably aren't inclined to vote anyway. The committee also advanced Scheid's bill to the Senate floor.

Another bill sponsored by Scheid, S.F. 2149, received committee endorsement and was sent to the floor. Scheid said the bill allows updating the statewide voter

registration system by using permanent change of address orders filed with the U.S. Postal Service. Joseph Mansky of the Secretary of State's Office said that after receiving the change of address information from the post office, the county auditor will send a nonforwardable confirmation letter to the person's new address. Scheid said the mail carrier will return the confirmation notice if the person doesn't live at the new address. At that point the county auditor will make an attempt to locate the whereabouts of the person, according to Mansky.

The committee also considered a bill, sponsored by Committee Chair John Marty (DFL-Roseville), removing provisions from state law that have been ruled by the Courts to be unconstitutional. The bill, S.F. 2256, restores voting rights to sexually dangerous persons and sexual psychopaths, restores the campaign material source disclaimer requirement, and remedies problems with provisions concerning false campaign materials.

Most of the discussion centered around the disclaimer provision. Marty said that a similar law in Ohio was thrown out because it did not accommodate people who legitimately fear reprisal if they claim responsibility for campaign material. Marty said the U.S. Supreme Court struck similar disclaimer laws in all states with the ruling. Because of the ruling, Marty said, Minnesota currently has no disclaimer requirement. He said that the bill doesn't provide an exemption from the law so much as it provides a defense for people charged with violating it. Sen. Carol Flynn (DFL-Mpls.) said the state should discourage unsigned and unattributed campaign material. Mansky replied that in the ruling, the Supreme Court decided that the First Amendment does give people the right to anonymous political speech. Scheid spoke in favor of the provision, asking, "What is more fundamental in a democracy than the right to anonymous political speech?" She said that in colonial times, people died because of words attributed to them. She agreed with Flynn that the state should not encourage anonymous speech, but should at least grant the right to do it.

The committee also removed a provision establishing a split level disclaimer exemption for independent campaign materials. Tom Deans of the Minnesota School Board Association said

the requirement threshold should be \$300 of expenses for everyone. The bill was approved and sent to the full Senate.

Environment and Natural Resources

Laws on outdoor sports discussed

Bills on crossbow hunting, fish house licenses, and snowmobile safety made up the agenda for the Mon., Jan. 26, meeting of the Environment and Natural Resources Committee.

First to come in front of the committee was S.F. 1180, a bill allowing people 65 or older to hunt big game or turkey with a crossbow. The primary reasoning behind the bill authored by Sen. Paula Hanson (DFL-Ham Lake) is to allow bowhunters to use a crossbow once they begin to have trouble pulling or carrying a bow, said Oak Grove resident Tom Hackbarth.

"There's going to be all kinds of trouble if we allow this many people to hunt with a crossbow," said Sen. Charles Berg (IND-Chokio). "You have to give the resource some chance," he said. "I wouldn't resist this bill, if we restrict the hunting to the firearm season," said Berg.

"I just want to know who's coming before us next if we permit this," said Sen. Steven Morse (DFL-Dakota). "It's putting the camel's nose under the tent. You can't compensate for people's level of ability," he said.

Leo Haseman, supervisor of DNR enforcement, also spoke before the committee and expressed his concerns regarding the licensing. "The thing I would not want to see," he said, "is if they have to come over to our office to get a permit."

The bill was amended so that hunters age 65 or older do not need a permit to hunt with a crossbow, but must adhere to hunting restrictions for the disabled. The bill was approved and sent to the floor.

The committee then heard Linda Eno, of the Twin Pines Resort at Mille Lacs, speak on behalf of S.F. 2111. With little discussion, the bill changing the last day that ice houses can be on the ice was advanced to the Senate floor. The bill, authored by Sen. Don Samuelson (DFL-Brainerd), changes the day from Feb. 28 to the last day of February, and allows final removal of the houses on Monday, whenever the last day of February falls on a weekend. The bill was approved and

sent to the full Senate.

S.F. 2171, requires the Department of Children, Families, and Learning (CFL) to help any school district create snowmobile safety training curricula for K-12 students, if requested by any district. Authored by Sen. Bob Lessard (DFL-Int'l. Falls), the bill was approved and referred to the Children, Families, and Learning Committee.

Health risk values discussed

Workers from the Department of Health (DOH) and the Pollution Control Agency (PCA) gave a brief overview of the work done so far to define health risk values, at the Environment and Natural Resources committee meeting, Weds., Jan. 28.

Kathy Svanda from DOH began by saying "A health risk value (HRV) is the concentration of a chemical or defined mixture in ambient air, at or below which the chemical is unlikely to cause an adverse health effect to the general public."

Chemicals such as ammonia, benzene, and manganese, as well as many others, have all been catalogued for their inhalable health risk values, she said. Essentially, said Svanda, the proposed rule for HRVs creates a measuring system for determining acceptable exposure levels to these and other airborne chemicals. Because exposure sensitivity can vary widely, acceptable levels are those considered safe for most individuals, not every individual, she said. Usually expressed in units of micrograms per cubic meter, HRVs can also be oral or ingestible, she told the committee. Over 75 percent of the HRVs were gleaned from a chemical profile kept by the Environmental Protection Agency, said Svanda.

The draft rule in its present form is over forty pages long, said Svanda, and handles the scope and definitions of HRVs, the general equations involved, and the listing of both oral and inhalable HRVs.

David Thornton of the PCA then told the committee that the agency plans to use these values in environmental assessments, in a three-tiered approach of initial screening, emissions checking, and exposure assessment.

Committee Chair Bob Lessard (DFL-Int'l. Falls), said it is a "very sensitive subject, and a lot of people are nervous about the findings." He asked whether

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any kind of a timeframe would be taken into consideration in a review. Thornton replied that the three-tiered approach would take care of that particular concern, since most facilities would need nothing beyond an initial screening.

Environment and Agriculture Budget Division

Gypsy moths discussed

Representatives from the Department of Agriculture presented supplementary budget requests to the Environment and Agriculture Budget Division Fri., Jan 23.

Peter Dziuk, gypsy moth program specialist, said that the number of gypsy moths detected in Minnesota has increased dramatically, and could have serious repercussions for nursery and forest industries. "Minnesota is faced with the beginning stages of a gypsy moth invasion," he said, "and control costs increase by a factor of 10 after infestation," he said.

The primary means of gypsy moth movement is human activity, and as a result, areas with a high human population will be at high risk for infestation, he said. "Minnesota is not currently infested, but the risks are increasing in Southern Minnesota and the Metro Area," said Dziuk. The supplementary budget request for this program includes \$75,000 for FY 98. "We need those resources this year, to hire people by April," he said.

Program Control Coordinator Carol Mulligan then spoke on the Farmer's Market Nutritional Program, which provides checks to WIC participants to buy fruits and vegetables at the markets. "We currently serve less than half of the available participants," she said, noting that the program presently serves over 40,000 people. The budget request asks for \$75,000 a year, starting in 1999, which can be matched with available federal funds.

The final presentation was from Kevin Helfering, supervisor in the dairy and food inspection division. He spoke on the proposed state meat inspection program, which asks for funding of \$25,000 in 1998, \$325,000 in 1999, and \$675,000 in following years. These fees would be offset by revenues generated from the program, he said, and noted that a major policy change at the federal

level has resulted in the USDA proposing to rescind its regulations prohibiting the interstate shipment of meat and meat products. Helfering noted that if the USDA rescinds its policies before Minnesota creates a state meat inspection program, Minnesota processors will be at a distinct disadvantage.

The division took no actions on any of the requests.

Zoo funding discussed

Katherine Roberts, director of the Minnesota Zoo, appealed for an emergency infusion of cash at the meeting of the Environment and Agriculture Budget Division on Mon., Jan. 26.

"For the first time," she said, "we are requesting \$1.5 million in supplemental funding." Roberts said that the funds will be used to offset a \$2.2 million shortfall from this summer, when one event after another reduced zoo attendance. An outbreak of crypto sporidium, 17 days of heavy rains, increased competition from Underwater World at the Mall of America, and the death of six of the zoo's sharks all played a part in the decreased attendance, she said. After the sharks died, people wondered if that building was even open, said Roberts.

"Significant changes made to the budget only offset \$700,000," she said, noting that they reduced part-time or seasonal staffing, reassigned duties, and left vacant positions unfilled.

"Looking forward to 1999," said Dan Rohr, zoo board chair, "if we don't get funding, we'll have to shut down for the last quarter."

"But we'd still have 2,000 animals that need care," said Roberts. Balancing the budget entirely through staff reduction would require an additional 33 layoffs, she said. "There's nothing left to take, anywhere," she said. "We are as lean as can be."

Department of Natural Resources (DNR) staff then presented requests for flood hazard mitigation funding and authority for implementing a nonresident snowmobile sticker program. Despite having advance warning of the floods, expenses from the flood still totalled \$853 million in Minnesota, said Kent Lokkesmoe of the DNR. About \$125 million of the total was covered by Minnesota, he said. The balance was covered by the federal government. The advance measures taken, such as levy

building, resulted in the prevention of almost \$233 million in damages in Minnesota, said Lokkesmoe. The \$300,000 requested by the DNR would continue the funding of two full-time positions responsible for flood hazard mitigation, he said.

The DNR also seeks the authority to begin requiring the display of nonresident stickers on snowmobiles owned by users with nonresident permits. Peggy Adelman of the DNR said that enforceability of the nonresident permits is difficult for conservation officers. The recommended statutory changes give the DNR the authority to begin the program, she said. Estimated costs for the program are offset by increased compliance and increased revenue, she said.

PCA staffmember Cristine Leavitt began the final presentation, on the mixed municipal solid waste (MMSW) landfill liability report. The report answers four legislative inquiries regarding landfill issues, she said, the first of which is the status of financial assurance for MMSW landfills. Leavitt said that current financial assurance costs, those costs set aside by the state to pay for landfill maintenance and closure, totalled \$94.4 million in 1996.

The second issue explored in the report concerns the funding and policy aspects of expanding Minnesota's Closed Landfill Program, which now provides total care for 106 MMSW landfills that stopped disposal by 1994, she said. Jim Chiles, also with the PCA, said that the 106 landfills cover 2,000 acres of filled ground, and 40 million tons of waste. Currently, he said, the program is funded by a portion of the state's new solid waste management tax.

Proper role of state discussed

The issues of fen management, nature trail creation, and flood control were discussed when the Environment and Agriculture Budget Division met on Tues., Jan. 27, to discuss four separate bills.

First up for discussion were two related bills, S.F. 1971 and S.F. 1972., authored by Sen. William Belanger (R-Bloomington). The bills seek appropriations to purchase privately-owned land within the city of Savage at the Savage fen wetland complex, and to help with the construction of a water supply system that reduces the use of water from the complex.

"There are about 5000 acres, in all of North America, of calcareous fen," said

Steve King, the Savage city administrator. "We have 64 of those acres," he said.

About 225 acres of land need to be purchased within the 425-acre complex, according to figures provided by the Department of Natural Resources, he said, noting that "it's very difficult to manage the plant community with the checkerboard of land we have presently."

Committee Chair Steven Morse (DFL-Dakota) questioned both the public purpose of the purchase of such land for Savage, as well as the cost estimates given for the \$3 million requested for the appropriation, totalling about \$13,000 an acre. That amount "seems like a lot for land that can't be developed," he said.

Sen. Jim Vickerman (DFL-Tracy) also noted that the cost estimate per acre seemed quite high. "Looking at the land as a farmer, I wouldn't say it's worth \$13,000 an acre," he said. "Where does this figure come from?" he asked.

King said that the figure was estimated from an inverse condemnation awarded in similar proceedings in the 1980's, for which the landowners sought compensation.

Morse indicated that the case occurred before the institution of the Wetlands Conservation Act, and began discussion on the associated bill, S.F. 1972, that seeks \$4 million for capital improvements to the water supply system of Savage and the surrounding area.

Dave Hutton, the Savage city engineer, said that the city is currently taking water from the Prairie du Chien/Jordan aquifer, the same aquifer that feeds the fen. They are seeking funding to provide alternative water sources and mitigate the impact on the fen, he said.

Morse said that his concerns centered around the role of the state in such projects. "If the state starts paying such incremental costs, how do we draw the line between what the state funds and what it doesn't?"

Committee members debated the role of state funding for the activity, noting that much of the pressure on the community to protect the resource is coming from the state itself. Sen. Charles Berg (IND-Chokio) suggested changing the legislation affecting the fen, and Sen. Bob Lessard (DFL-Intl. Falls) said that the issues should undergo dispute resolution, to come to grips with the variety of issues raised.

The third bill before the committee, S.F. 2045, authored by Sen. Roger Moe

(DFL-Erskine), authorizes \$1.2 million of bond funds for the development of the Maple Lake Regional Park and Trail, which would connect already existing scenic areas.

"This is really, at present, the major recreational area in Northwestern Minnesota," said George Orning, one of the principal consultants for the plan. He said that the major costs include buying the right-of-way and developing the trail. As much trail development as possible would be done in the existing road rights-of-way, piggybacking already existing roads, most of which have low traffic counts, he said.

Morse said that he thought that the state has focused more on funding scenic and natural trails. "Smaller regional trails like this have generally been matched dollar for dollar," he said.

The last bill debated before committee adjournment was S.F. 876, appropriates \$1.25 million to build a dam in Yellow Medicine County. Authored by Sen. Arlene Lesewski (R-Marshall), the bill creates a dry dam to impound water only during significant rainfall events, she said.

Kerry Netzke, coordinator of the Area II Joint Powers Board, said that two-thirds of the land is in North Dakota. She said that after asking North Dakota agencies for help she was given the same response repeatedly. "Flooding? What flooding?" she said. She explained that the real flooding doesn't really occur until the water reaches the Minnesota plain from the plateau in North Dakota, 700 feet higher in elevation.

Morse said that it has been the policy for a while to encourage farmers to install smaller, individual dikes instead of undertaking one large public project.

Craig Johnson, legislative director of the Minnesota Center for Environmental Advocacy, spoke against the project. He said that the identified cost-to-benefit ratio of the project did not meet the usual guideline of 1:1. "This was estimated at 1:0.8," he said. The project could possibly even prolong the flooding, he said, and the total benefit acreage is only 366 acres. He listed alternatives such as downstream flood easements, or paying farmers to flood their land.

No action was taken on any of the bills.

Budget initiatives heard

Members of the Environment and Agriculture Budget Division heard presentations on Minnesota's ethanol

industry, the Water Pollution Control Revolving Fund, and various agricultural loan programs, Weds., Jan. 28.

Jerry Heil, from the Department of Agriculture, began by giving an overview of the ethanol program. He stated that the overall goal of the program is to replace 10 percent of all gasoline used in the state with ethanol, in order to reduce air pollution and provide economic development. This year, he said, there is an opportunity to put an ethanol facility in the metro area, located at the Minnesota Brewing plant. This would simultaneously keep 150 jobs in the metro area and providing an additional 25, he said.

"I don't know why we should help fund Minnesota Brewing," said Sen. Charles Berg (IND-Chokio). "It looks to me like we're bailing out a private company."

There was some debate regarding the funding of the Metro Area facility, when some of the other ethanol plants in Minnesota are still under construction or have yet to reach capacity.

"We did say last year that 'this would be it,'" said Committee Chair Steven Morse (DFL-Dakota). "But we should think about expanding the program, especially when part of the jobs and infrastructure are already there. This is maybe a little bit different than starting from scratch," he said.

"What I don't like is the language of the bill," he continued. "This language puts this facility ahead of the others and exempts them from the guidelines faced by the other plants," said Morse. "But these concerns can be fixed."

Ralph Groschen, also with the Department of Agriculture, said that using the Minnesota Brewing facility for ethanol would "significantly increase their ability to survive," reaching capacity by the second half of 99 if the appropriation was approved.

The division then heard from Terry Kuhlman and Geoff Freeman from the Public Facilities Authority regarding that agency's point and nonpoint source pollution reduction efforts. Much of the discussion centered around the problems faced by the state with nonconforming septic systems. "There are many programs that deal with septic systems," he said, "very few of which have any adequate funding." He also noted that Minnesota ranks third in the country in nonpoint source issues, but only gets three percent of the federal funds allocated for these issues.

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Last to speak before the division was Paul Burns of the Department of Agriculture, who spoke about the agricultural best management practices loan program. He told the division that long-term need for program funding has been estimated to be at least \$1.2 billion. He also said that the estimated long-term need for agricultural waste system funding was about \$615 million, and for conservation tillage equipment between \$379 million and \$900 million.

Family and Early Childhood Education Budget Division

Child care grants overview

Representatives from the Department of Children, Families and Learning presented an overview of the child care development program, Tues., Jan. 27. Sen. Pat Piper (DFL-Austin) chaired the meeting.

Commissioner Bob Wedl, Dept. of Children, Families, and Learning, said the department's mission was to "measurably improve the well-being of Minnesota's children." He said his office worked to become more customer-focused, understand its role in helping state and local workers implement programs, and give Legislators the information they need "to carry out your charge." Piper said she appreciated the work being done to help "our littlest ones" and said she hoped to remove blinders about when valuable learning processes begin in our children.

Barb Yates, assistant commissioner, said that as a result of legislation passed last year more than 900 children have joined Head Start, more than 15,000 families are enrolled in Early Children and Family Education (ECFE) programs, and hundred of hours were spent in training community and staff workers. She said the staff had witnessed extraordinary change since the enactment of welfare reform. In the area of prevention of child neglect, Yates said the department had awarded over 720 grants in response to 1,500 requests. She said the department is asking Legislators for a five year funding cycle for grants instead of the current two year cycle.

Sen. Leo Foley (DFL-Anoka) said he was interested in an evaluation of the success and failure rates among the programs. Yates said that the department conducts ongoing evaluations, but

there are some limits on resources in some statewide programs. She said her office had gone to private foundations to get some help in conducting evaluations. Piper also asked Yates to provide information on the total numbers of children enrolled in the various programs.

Zoe Nicholie gave an overview of ongoing programs funded to expand and improve child care programs. These grants include Child Care Resource and Referral, Child Care Service Development, Migrant Child Care, Cultural Dynamics, Child Care Apprenticeship, and Provider Certification and Accreditation Expense Reimbursement.

Betty Cook presented the department's \$2 million request for the ECFE Infant grants program. She said the focus of the 150 ECFE programs is to reach out to families and provide them with information during pregnancy about ECFE programs that promote and support strong parent/child relationships. Cook said that about 30-40 percent of all ECFE enrollees in the cities are low income. She said a great deal of effort is needed to find more families through clinics, hospitals, and outreach and referral services. Sen. Claire Robling (R-Prior Lake) asked if there is a way to track which outreach programs were the most successful and give that information to local agencies. Cook said planned training sessions throughout the state would allow people to share and gather information across districts.

Lois Engstrom discussed the Early Child Technology program, which received 167 requests for 21 grants. Connie Greer presented the Head Start 0-3 initiative, which received over \$4.7 million in requests for \$2 million in available funds. Greer said the initiatives are targeted at extremely low income families and were offered in recognition of the body of research that identifies birth to age three as a critical period in a child's growth and development. Finally, Mary Ellison gave an overview of prevention and intervention programs designed mainly to address adolescent parenting and intervention in child abuse.

Child care report presented

Representatives from the Department of Human Services (DHS) presented the "Child Care Regulation in Minnesota" report to the Family and Early Childhood Education Budget Division Wed., Jan. 28. Sen. Pat Piper (DFL-Austin) chaired the

meeting.

Jerry Kerber, director of licensing, said he commends the advisory committee for its hard work and the "exciting recommendations" found in the report. He said the first task force meeting was held in 1996, in response to legislation, and continued through 1997. Kerber said the task force advisory committee, comprised of over 70 members, swelled during those years to reflect the representation needed to develop meaningful regulatory recommendations.

Laura Plummer Zrust, supervisor, Child Care and Family Systems, gave an overview of the report's findings, presented common themes, and discussed seven overall recommendations. She said during August through November 1997, DHS, the Dept. of Children, Families and Learning, and the Child Care Resource and Referral Network conducted 38 focus groups with parents, child care providers and employers across the state. Zrust said the focus groups comprised a diverse population and formed a representative sample. She said common themes were the need for information about regulation, and licensure to guarantee minimum safety and welfare requirements.

Zrust said the parent groups, when asked to identify key aspects in the delivery of child care, mentioned a safe and healthy environment, individual attention, cognitive stimulation, low adult-child ratios, cultural sensitivity, and affordability. She said cost was an issue raised in virtually every parent group. The issue of nonstandard hour and sick care were key concerns, she said. Zrust said parents groups also raised low wages of child care providers as an issue, especially as it related to high turnover rates, lack of respect, and unhappiness at centers.

Parents are alarmed over unregulated child care, Zrust said. She cited recent exemptions in licensing that allow unlicensed providers to care for children from two to three unrelated families for a maximum of five children. Sen. Leo Foley (DFL-Anoka) asked if Legislators need to place limitations on unlicensed care, possibly to allow for different levels of licensing. Kerber said that Legislative efforts were underway to amend last year's exemptions because of growing concerns over health and safety.

Child care providers concerns echoed those of parent focus groups, Zrust said.

She said providers also saw a shortage of sick and nonstandard hour care. She said providers recognize that even when programs are available they are too expensive for most parents. She said providers agree on the need for regulation to provide a minimum of protection for children, but they were divided on specific recommendations. Zrust said providers also are concerned over unlicensed providers even though they recognize the need of some communities, particularly minority communities, to have greater flexibility in providing unregulated care.

When asked how child care impacted employers, Zrust said both large and small businesses cited employee absenteeism due to sick children, lack of sick care options, scheduling issues, lack of information about child care, and cost as an obstacle to employer-based child care. Zrust said some businesses are considering using on-site day care, or other programs, as incentives to attract qualified employees in a competitive job market. She said many employers across the state indicated they were interested in ways to support working parents. She said the leading obstacles to employers were cost, lack of information, fire and building code issues, and licensing regulations.

Zrust then outlined the committee's recommendations based on focus groups and detailed follow-up survey responses. She said they are to repeal expansion of unlicensed child care, provide more consumer information, facilitate development of more culturally responsive child care services, facilitate development of employer-based services, promote business involvement in meeting the child care needs of working families, increase availability on nonstandard hour care, and develop a single set of comprehensive child care regulations.

Finally, Kerber said that many of these recommendations are addressed in Sen. Becky Lourey's (DFL-Kerrick) bill, S.F. 2145, which will be presented at a later hearing.

Governmental Operations and Veterans Affairs

Revenue building reviewed

The Governmental Operations and Veterans Affairs Committee, along with its Budget Division, met in a joint session Thurs., Jan. 22, to hear about the

Department of Revenue's new building under construction in St. Paul. Sen. James Metzen (DFL-South St. Paul) and Sen. Leonard Price (DFL-Woodbury) chaired the meeting and heard testimony from two state agencies, and the building architect and builder.

Assistant Commissioner for the Dept. of Revenue, John Lally said the project's goal is to "create a facility of exceptional value, with a timeless and engaging design. He said money for the initial pre-design study was approved by the 1995 Legislature, but when the design came back we had a case of "sticker shock."

Lally said the 1997 Legislature directed the administration to construct the building in the Capitol Complex if feasible, or purchase the building currently housing the department. A third option was to build the Department of Revenue structure in Inver Grove Heights.

The final selection of the Capitol complex site was made in July 1997. The total appropriated in 1997 was \$74.5 million. Lally said builder, Ryan Construction and the projects architect, Hammel, Green, Abrahamson, were chosen to construct the building at the completion of a design-build competition held in June 1997. The Department of Revenue is operating as project manager.

Elaine Hansen, commissioner for the Department of Administration, told the committee the project is slightly ahead of schedule and on budget. It is expected to be completed this fall with the Department of Revenue scheduled to occupy the new building between Sept. 9 and Nov. 11.

Lally said bonds appropriated in 1997 for the project total \$74.5 million. The preliminary breakdown is \$48.4 million for core/shell construction; \$7 million for tenant improvements, civil, site prep, and complex costs; \$3.8 million for infrastructure, network and security; \$8.5 million for a parking ramp; and \$3.2 million for fees, charges and contingency plans.

Lally said that the new building's design was a challenge for the department. He said the department took its exterior styling cues from the Capitol, State Office Building, and Judicial Center without exceeding the projects original budget.

According to information provided by the Dept. of Revenue, the building is being completed using an innovative

technique call "design-build". The concept also known as "design-construct" or "single responsibility," is a system under which one entity performs both architecture, engineering, and construction functions under a single contract. The design builder can assume several organizational structures. Most common include: a firm possessing both design and construction resources in-house; a joint venture between designer and contractor; a contractor led team with the designer in a subcontract role; or a designer-led team with the constructor in a subcontractor role.

Lally said a major reason for this approach was the time constraints the department found itself under to get into the new building. "The department must be moved into the new building by the time their current lease expires next fall," Lally said.

Lally told committee members that the agency is requesting \$5.7 million in capital budget money to complete the project's final stages that were not included in the first expenditure. Lally said additional funds appropriated for the project are for moving costs, telecommunications upgrades, furniture lease purchase agreements, and Capitol Complex infrastructure costs.

Treasurer bill advances

A bill to abolish the office of state treasurer, authored by Sen. Deanna Wiener (DFL-Eagan), was approved by the Governmental Operations and Veterans Committee Tues, Jan. 27. The bill repeals the powers of the state treasurer and, provides for a constitutional amendment. The committee is chaired by Sen. James Metzen (DFL-South St. Paul).

Wiener said the Senate passed the bill two years ago with only one dissenting vote, but the the other body did not vote on the bill, so it is before the Senate again.

"The office is no longer necessary," she said. "This has nothing to do with the competence of the current treasurer or past treasurers," Wiener said. "We have had numerous studies on this issue since the 1950's and they have all concluded that the office should be abolished."

Wiener said the Department of Finance would assume the responsibilities of the treasurer if the constitutional amendment passes this November.

Committee update

Sen. Dan Stevens (R-Mora) said many counties have combined the positions of auditor and treasurer and any money that can be saved for the tax payers would be beneficial.

Lawrence Pogemiller (DFL-Minneapolis) said his only complaint with the bill is that it is a modest proposal. "I think the auditor could be included," he said.

The bill was re-referred to the Committee on Rules and Administration by a voice vote.

A bill to increase compensation for state employees on leave to serve as certified disaster service volunteers for the American Red Cross was also discussed.

S.F. 1946, authored by Sen. Ember Junge (DFL-New Hope), increases the rate of compensation for certified disaster volunteers from 50 to 100 percent of their salary for up to 15 days each year.

Junge said the bill will make it easier for state employees to volunteer for disaster relief with the knowledge that a 15-day leave will cause no financial hardship for them or their families.

Sen. Martha Robertson (R-Minnetonka) made a motion to amend the bill by removing a section that made the bill retroactive to include two workers who volunteered on disaster relief in 1997. The amendment was approved by voice vote.

Junge did not oppose the amendment because she said that future compensation was the most important thing. She said the hope is that the bill will encourage qualified state employees to volunteer for disaster relief efforts.

S.F. 1946 was approved and sent to the floor.

S.F. 2380, a bill dealing with occupational licensure was discussed by the committee but no action was taken. The bill, authored by Deanna Wiener (DFL-Eagan), establishes a permanent occupational regulatory oversight council to oversee and coordinate the work of agencies and boards charged with the regulation of health related and non-health related occupations.

Veterans bonus bill okayed

Members of the Governmental Operations and Veterans Committee, chaired by James Metzen (DFL-South St. Paul), met Wed., Jan. 28.

The committee acted on several bills

including one that makes technical changes in the ability of the Department of Veterans Affairs to determine eligibility for the Gulf War veterans bonus program.

Jeff Olson, of the Department of Veterans Affairs said forms that determine eligibility for veterans seeking a \$600 bonus for service in the Gulf War need to be clarified.

He said the form used by the department can in some cases cause a delay of benefits by up to six months.

S.F. 2167, authored by Metzen, allows the Veterans Affairs to use other reliable documentation proving service when necessary. In addition, Olson said, for national guard or reservists, the department is allowed to determine eligibility if the person's DD-224 form shows eligibility for the Southwest Asia medal. The original act required that the DD-224 showed actual award of the medal.

"Most problems are because people use wrong or outdated forms," Olson said.

The measure was advanced to the full Senate

S.F. 2026, carried by Sen. Richard Cohen (DFL-St. Paul) establishes guidelines for state assistance to local capital improvement projects.

Cohen said the bill is not a panacea for every problem with bonding requests, but it will get the word out to cities that a process is in place.

Cohan said the bill accomplishes four things. First, the measure limits application to projects not already covered by other state assistance programs. Second, it requires local governments seeking state bond money for local projects to submit requests to the commissioner of finance by June 1 of odd numbered years. Third, the bill sets forth criteria for the commissioner to use in evaluating local government requests and specified that each request must be submitted to the Legislature. Fourth, the bill limits state assistance to no more than half the total cost of a project.

Cohen said he hopes the bill provides structure and notice to cities that there are time lines to follow. S.F. 2026 was referred to Governmental Operations Budget Division.

Sen. Sandra Pappas (DFL-St. Paul) authored a bill that modifies payment of retainage to contractors on public projects. Retainage is an amount of progress payments to contractors during the term of a project that a public contracting agency is permitted to withhold.

Pappas said current law sets out several ways for retainage to be paid to a contractor. S.F. 2216 requires the public contracting agency to concur with the contractor's choice.

Paul Kirkwold, Ramsey County engineer, said changes in the law would encourage quality work on projects in a timely manner. "Now we are essentially forced to sign off on what the contractor wants," He said, "It is a disadvantage for counties not to be able to negotiate."

Sen. Dan Stevens (R-Mora) said he could see the possibility of abuse if the agency drags its feet by not promptly acting on contractor requests.

Sen. Deanna Wiener (DFL-St. Paul) asked if this is the way private business deals with contractors. Kirkwold said private firms do not have to pay any money until the project is completed.

S.F. 2216 was approved and sent to the floor by voice vote.

Metzen carried a bill that changes an aid distribution formula when an entire township is annexed by two or more contiguous cities.

Executive Director of the Board of Government Innovation and Cooperation Jim Goldman told members S.F. 2379 provides that cooperation and combination aid is to be allocated to the annexing cities on the basis of the population of the area of the township that each city has annexed.

Goldman said the formula in current law distributes aid on the basis of populations of the cities, without regard to how few township residents were added to each city.

S.F. 2379 was recommended to be placed on the Consent Calendar.

In its final action of the day, the committee re-referred S.F. 2380, Authored by Deanna Wiener (DFL-Eagan), to the State Government Finance Committee on a voice vote.

Wiener said the bill establishes a permanent occupational regulatory oversight council to oversee and coordinate the work of agencies and boards charged with the regulation of health related and non-health related occupations.

Governmental Operations Budget Division

Bonding requests heard

Several Department of Administration bonding and supplemental budget

requests were heard at a meeting of the Governmental Operations Budget Division Weds., Jan. 28. However, most of the discussion focused on an issue related to the construction of the new Department of Revenue Building in the Capitol Complex.

At issue is the disposition of a historic structure called the Dahl House. Administration Department Commissioner Elaine Hansen said the structure was first built in 1858 where the new Revenue Building now stands. She said that 25 years ago the state acquired the land where the building was located and planned to demolish it along with other nearby buildings. However, the Dahl House survived because the house was placed on the National Historic Register, Hansen said. She said the building was ignored until last year when the Legislature approved bonding money for the construction of the new Revenue building and decided to locate the new structure where the Dahl House stood. Division Chair Leonard Price (DFL-Woodbury) said a decision needs to be made soon as to what to do with the Dahl House because the Revenue building design may have to be changed before the construction can proceed.

According to Hansen, the Historic Preservation Society has jurisdiction over what to do with the old house. Among the options are incorporating the old house into the plaza of the new building or moving it elsewhere, such as the Gibbs Farm Historic site, she said. Hansen added that incorporating the Dahl House into the design of the Revenue building would incur additional expenses because of security considerations.

The department's top priority funding request is for \$3.46 million to demolish the Capitol Square Building and construct a new building in its place. Of the total request for the project, only \$1.8 million would come from bond proceeds. Hansen said the current building has many code violations that pose a threat to life safety and structural limitations make wiring for computerization very difficult. Hansen also said that the cost to bring the building up to code compliance is about the same as rebuilding. Another request that tied for top priority, according to Hansen, is for \$5.4 million to upgrade the electrical distribution system in the Capitol Complex.

Other requests presented by the

department include \$45,000 to relocate the Capitol Security and Plant Management operations; \$25 million to preserve and replace various state buildings and assets; \$15.8 million for the final phase of remodeling work on the Transportation Building; \$4 million to acquire and develop property at the intersection of Rice Street and University Avenue in St. Paul; \$10.8 million to relocate various state agencies; \$5.7 million to complete the Revenue Department relocation to the new building; and \$11.2 million to develop a Labor Interpretive Center in the East building of the current Science Museum of Minnesota location. The Division took no action on the requests.

Higher Education Budget Division

Supplemental budgets heard

Minnesota State Colleges and Universities (MnSCU) Chancellor Morris Anderson and University of Minnesota (U of M) President Mark Yudof presented their systems' supplemental budgets to the Higher Education Budget Division on Tues., Jan 27.

Committee Chair LeRoy Stumpf (DFL-Thief River Falls) set the tone for the meeting by asking the committee to frame the presentations and discussion in terms of past, present, and future accountability. He also reminded all parties involved that any money given this year should not be thought of as a "relaxation" in funding guidelines, and that any discussion should be centered around maintaining a "cutting edge" position for either the U of M or MnSCU.

"I'm hoping this committee can be wise in its decisions (regarding) where it can put money," said Stumpf.

He turned attention over to Anderson, who provided an overview of the MnSCU system. Anderson said that MnSCU is the largest provider of higher education in Minnesota, with over 145,000 students in a typical quarter and over 30,000 degrees, diplomas, and certificates granted annually. Roughly 90 percent of students are from Minnesota, and over 80 percent stay in Minnesota once they graduate, he said.

"You have described for us what the mission of MnSCU is," said Anderson. "You've asked us to cut waste, and for state coordination, innovative leadership,

and improved broader course offerings," he said.

In an effort to get input from the public, he said that a series of communication studies were undertaken. "We have, over the last two years...talked to over 7,000 people," he said. "We have held 12 town meetings around the state, conducted a telephone survey of students and alumni, held a conference on tuition, and done a Metro Area study of residents, among other efforts, in order to learn what Minnesota believes are the most important goals of the MnSCU system," Anderson said.

The responses indicated that issues such as good jobs, adequate facilities, easier credit transfers, and business collaborations were important to the success of MnSCU, he said.

"The board's number one policy issue is to streamline the transfer process for students transferring from one school to another," he said. "I'll be the first to say that we haven't done enough" on the issue.

Sen. Cal Larson (R-Fergus Falls), said "We've been talking about the transfer issue for ten years, but things just don't get done. I get so frustrated on behalf of the poor students who get stuck in the system for extra time because they just can't get the credits."

"I think that reflects the mood of the commissioner," said Stumpf, noting that the division would need assurance that something would be done on the issue if it were funded.

Anderson said the attempt to streamline the transfer process is one of four major initiatives for which MnSCU is seeking funding. A total of \$11 million is requested for student initiatives, he said. The other three initiatives he categorized as business and industry initiatives (also \$11 million), faculty and staff development (\$8 million), and base equalization (\$12 million). The base equalization initiative is a proposed allocation change that would equalize the amount of state funding per student across the MnSCU system. Currently, different colleges and universities within the system receive different amounts of funding per student.

Yudof began his presentation with a cautionary note of his own. "It's easy to get hung up on the buildings and other physical aspects of the University," he said, "but the real heart is the quality of the students and the staff." As a result,

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he said, the U of M needs funding for competitive compensation as well as for research facilities and equipment.

He made note of the proposed major academic program initiatives, in the areas of molecular and cellular biology, digital technology, new media, design, and agricultural research.

Over half the new positions created will be in biology and agriculture, he said, with a total of over 20 staff either hired or shifted. Twelve positions would be created for the foray into new media initiatives, which is “where the action is in terms of the job market,” he said. Currently, “there’s probably 100 jobs out there for every one traditional print or broadcast position,” he said.

Noting that he had only been at the U of M for six months, he said that he had something akin to an “outsider’s view” of the state of the U of M. “I think we have created a University that is the best balance between access and excellence of any public university in the country,” he said.

He said that \$13 million of the request before the committee was “for faculty and staff support, essentially for compensation.” Another \$15 million was for the faculty set-up and equipment fund. He noted that it took anywhere from \$400,000 to \$1.2 million to equip each scientist, and admitted that this was a “big-ticket item.”

“You can have all the compensation in the world, but they’re not coming if you don’t have the setup costs,” he said. He said the investment the U of M would be making in the areas of molecular and cellular biology is “the biggest investment, probably \$100 million over the next five years.” This area is not just critical for medicine but for agriculture also, he said.

Health and Family Security

Consumer advocacy discussed

Members of the Health and Family Security Committee heard a continuation of testimony Thurs., Jan. 22, on the Prepaid Medical Assistance Program (PMAP) and county based purchasing. They also discussed S.F. 2146, authored by Sen. Steven Morse (DFL-Dakota), that calls for the creation of an office of health care consumer advocacy, assistance, and information. Sen. John Hottinger (DFL-Mankato) chaired the

meeting.

Maureen O’Connell, Legal Services Advocacy Project, asked that the committee not take her testimony as endorsement of PMAP. She said she wants consumer issues addressed while her staff tries to “make things better and improve PMAP.” O’Connell said a consumer issues working group may ease the difficulty in finding a joint forum to discuss consumer issues, but results are preliminary. She called on Legislators to change the Patient Protection Act to clarify compliance provisions.

Ann Henry, Legal Services Advocacy Project, outlined her concerns. She said the advocacy function now lies with counties under PMAP, but her organization prefers that function be independent of county based purchasing. She said conflicting county roles and multiple lines of authority are confusing to the health care clients. Thirdly, she questioned structuring a health care program that limits choice of health care providers. Henry said limitations miss the opportunity to ensure quality care and asked Legislators to beef up choice provisions. Lastly, Henry asked that clients be able to move on and off programs without confusion.

Tom Ehrlichmann, Minnesota Hospital and Health Care Partnership, said two issues merit consideration--uniformity and risk. The nature of PMAP will take us from one state program to as many as 19, he said. Multiple programs, he predicted, could raise reimbursement issues and billing problems, for example. Ehrlichmann said his office is working with the Uniformity Committee and the Dept. of Health to introduce legislation on this issue. In the area of risk, he said that the law is ambiguous regarding risk-based purchasing situations with private contracts. Sen. Linda Berglin (DFL-Mpls.) said she had trouble understanding his concern and thought regulations on this matter were clear. Finally, on the matter of a consumer advocacy office, Ehrlichmann said, “Our officer supports the existence of a consumer advocacy office.”

Richard Diercks, Minnesota Dental Association, said he represented five medical associations actively involved with county based purchasing. He recommended that statutory deadlines regarding the collection of data be extended one year since current time lines were difficult, if not impossible, to meet.

In the last order of business, Morse

presented S.F. 2146, a bill that creates a consumer advocacy office to guide health care consumers through the bureaucracy.

Morse said that after meetings with more than 30 groups associated with the health care issue, several recommendations surfaced. There was unanimity on the creation of a centralized consumer advocacy office but disagreement on funding, he said. Morse described the functions of the office as a “one stop shop” to provide consumers with information and guidance on insurance coverage, referrals, explain payment policies and the appeals process, and generally act a patient advocate. He said results from the meetings demonstrated that there were “a number of people with real problems” understanding the system. Berglin and Sen. Becky Lourey (DFL-Kerrick) said they did not fully understand how the creation of the new office would differ in responsibility from extant ones, such as the Health Care Consumer Advisory Board and the several ombudsman offices. Kent Peterson, Dept. of Health, and John Gross, Dept. of Commerce, said the new office would include those clients not falling under the ombudsman office’s purview. Gross said the advocacy office would be charged with “triaging (sic) clients out to other agencies and offices.”

Sen. Martha Robertson (R-Minnetonka) asked if the office would really simplify the process or just add another layer of bureaucracy. Robertson and Sen. Leo Foley (DFL-Anoka) asked if the consumer advocacy office would provide dispute resolution or act as another referral service. O’Connell and Sue Stout, Minnesota Nurses Association, said the office would actively shepherd patients through the complaint resolution process, acting as a patient advocate for those who are most vulnerable. To satisfy members’ concerns, O’Connell said the bill could be strengthened to reflect more accurately the proactive advocacy and conflict resolution roles of the proposed office.

The chair said there would be no vote on the bill and that discussion would continue at a later date.

Licensure, oversight bill discussed

The Joint Health and Family Security and Governmental Operations and Veterans Subcommittee on Occupational Licensure met Fri., Jan. 23. Sens. Deanna Wiener (DFL-Eagan) and Sheila

Kiscaden (R-Rochester) chaired the meeting. The panel discussed an advisory committee report on complimentary alternative medicine and heard a review of licensing board surveys.

Lynn Blewett, Dept. of Health, said the advisory committee report was drafted in response to high legislative interest in the topic. She said the committee included over 22 representatives from the Legislature, and practitioners of alternative and conventional medicine. She said alternative health services are present and widely used throughout the United States--one-third of all Americans use at least one form of alternative medicine. For this reason, the guiding principle of the study was to prevent regulation from limiting broad consumer access and the development of alternative health care services, she said. Blewett said regulation should be pursued only if there is a potential risk or harm to consumers.

Tom Hiendlmayer, Dept. of Health, said the key recommendations of the report were to continue work on the issue, expand the advisory committee to add greater diversity, and to explore alternatives to regulation. He said regulation "should balance the competing demands of access to quality and cost."

Kiscaden asked Hiendlmayer to address the issue of alternatives to regulation. He said complaint, investigative, and enforcement processes could be similar to those for unlicensed mental health providers. He said the authority could be given, for example, to the Dept. of Health, the Board of Medical Practice, or the Attorney General. Upon findings of actual harm, these bodies could suspend ability to practice without imposing standards on practitioners, he said.

Sen. Linda Berglin (DFL-Mpls.) said health care providers and insurance companies would like to offer alternative health care services but are unable to quickly determine the quality of service providers. Hiendlmayer said he acknowledged the need for insurance carriers to assess quality, but said there were cases where private companies, not the government, credential alternative medicine providers and then offer those lists to the health care companies.

Mary Jo Kreitzer, advisory committee member, said there is a "compelling need for research and education" of conventional health care providers about the trends and practices in alternative medicine--70 percent of patients using

alternative methods of treatment fail to tell their doctors, she said. Kreitzer said health care professionals face difficulties sorting through the evidence and determining what approach to take. Moreover, she said alternative treatments usually are available only to those consumers with the means to pay out-of-pocket for services.

Kiscaden asked what resources were needed to carry on the work of the advisory committee. Blewett said that her office would need a three-quarter time or a full-time staffer.

Wiener then launched discussion of the licensing boards survey data and the establishment of an occupational regulatory oversight council. "Every year the legislature suffers from inconsistency in how we address licensure procedures," she said. "We want to protect all Minnesotans to ensure quality and access...and to keep regulatory services affordable and accountable to taxpayers." Kiscaden said there needs to be put in place a mechanism to improve legislative decision-making and to make more information available. She said, "I don't feel we as legislators have the background to judge the competency of one group over another."

Health care consumer office gains

A bill creating an office of health care consumer assistance, advocacy and information was the focal point of the Tues., Jan. 27, meeting of the Health and Family Security Committee. S.F. 2146, authored by Sen. Steven Morse (DFL-Dakota), is designed to provide assistance and advocacy for all health care consumers in the state. The bill, similar to a proposal Morse sponsored last year, was developed by a groups of interested parties over the course of the Interim. The measure creates the office, spells out the powers and duties of the office and specifies that the complaint process work group established by the commissioner of health and commerce under a law passed last year, is to continue to meet to develop a complaint resolution process for health plan companies to make available to enrollees. Under the bill, the group's report is due Sept. 15, and must include recommendations on permanent methods of financing the office of health care consumer assistance, advocacy and information. The law passed last year required the dispute

resolution process to be in place by July 1, 1998, however, the bill delays that date until July 1, 1999.

Discussion on the bill centered on the question of establishing the consumer office before the dispute resolution process is in place. Maureen O'Connell, Legal Services Advocacy Project, Sue Stout, Minnesota Nurses Association, Michael Scandrett, Council of Health Plans and Bev Turner, Minnesota Insurance Federation, also spoke in favor of the proposal outlined in the bill. Stout said, "People still need help getting through the health care system. The dispute resolution process is difficult to establish but in the meantime consumers need help with existing processes within plans."

Sen. Martha Robertson (R-Minnetonka) also questioned the need for another advocate when there are several ombudsman positions in existence. Sharon Zoesch, director, Office of the Ombudsman for Older Minnesotans, said that there is a gap in advocacy and that the new office would fill the gap. Zoesch also assured the panel that the ombudsman coordinate services to avoid duplication of effort and would continue to do so with the new health care consumer assistance office.

Committee members, chaired by Sen. John Hottinger (DFL-Mankato), adopted several amendments. One amendment, offered by Sen. Linda Berglin (DFL-Mpls.), specifies that all ombudsman offices with health care responsibilities are to have their telephone systems linked in order to facilitate immediate referrals. Two additional amendments, offered by Morse, of a technical nature, were also adopted. The panel did not adopt an amendment, offered by Robertson, to delay the creation of the office for one year.

The bill was approved and re-referred to the Commerce Committee.

In other action, the panel advanced two additional bills. S.F. 2345, also carried by Morse, conforms Minnesota law with the federal Clean Water Act of 1996. The bill modifies the authority of the commissioner to approve public water supplies and provides for administrative fines against large public water suppliers. S.F. 2261, authored by Sen. Dallas Sams (DFL-Staples), provides for the designation of rural critical access hospitals. Both measures were approved and sent to the Senate floor.

Committee update

Health and Family Security Budget Division

Human services budget overview

Representatives from the Dept. of Human Services (DHS) presented to the Health and Family Security Budget Division a supplemental budget overview Mon., Jan. 26. Sen. Don Samuelson (DFL-Brainerd) chaired the meeting.

Tom Moss, deputy commissioner, gave a brief overview of the supplemental budget. Moss said an inverse relationship exists between the health of the economy and the need for human services--when the economy is strong, demand for services drops, and vice versa. Overall, he said, the department is currently 10 percent below budget planning estimates and is \$277 million below enacted budget spending. The most important issues for the Legislature and the DHS are child welfare enhancements, Moss said. He said department representatives would follow with presentations on adoption, child welfare, and KidCare health programs.

Judy Wong, assistant commissioner, Children's Initiative, said the core values underlying budget requests for adoption programs was early intervention to prevent the dissolution of families, and timely placement into stable homes when that was not possible. The goals of the office are to increase the number of adoptions by 25 percent for the next four years and reduce the time lines in finalizing adoptions. Sen. Dan Stevens (R-Mora) asked if the Family Preservation Act served as a roadblock to finalizing adoptions. Wong said federal law was moving in the direction of requiring states to move more quickly into permanent placement and in enhancing child protection.

Wong said the Family Preservation Fund introduced some outcome measures for the first time to track the number of families saved, the incidence of maltreatment, and the number of days before placement. She then detailed the formula used to calculate how grant funds are allocated to counties. Erin Sullivan Sutton, director Family and Children's Services Division, said more resources are directed toward prevention and education programs to aid families before they come to the attention of

child welfare services.

Wong then discussed the Children's Information Systems program that she said will need an additional \$400,000 in FY 99 to cover training and implementation costs. Wong said the system being designed helps policy makers in setting policy--and aids child welfare workers directly--by providing accurate and timely data. Sen. Leo Foley (DFL-Anoka) said he is concerned that new and old technology be compatible and asked for a separate briefing on how new information systems will reduce constituent complaints.

Mary Kennedy, assistant commissioner, then provided an overview of KidCare, Minnesota's children's health insurance program, and MinnesotaCare. She said since the Children's Health Insurance Plan was transitioned to MinnesotaCare in 1993, there have been many changes in eligibility. She said the addition of 100,000 new enrollees has added to the complexity of benefit packages, service delivery, eligibility criteria and administrative procedure. Kennedy said the governor recommends positioning Minnesota to stake its claim to over \$28 million in federal funds. She said Minnesota's allotment under the Balanced Budget Act for KidCare is approximately \$28.4 million in FY 98--that is, the Health Care Financing Administration will match state expenditures at a rate of 66.5 percent (FY 98) up to that amount. She said states must expand coverage in order to access Title XXI funding to receive matching federal funds. Several Senators asked Kennedy to clarify the details and implications of this recommendation.

Samuelson then said remaining DHS presentations would continue at a later date.

Human Resources Finance

FAS report heard

First Lady Susan Carlson presented the recommendations of the governor's task force on Fetal Alcohol Syndrome (FAS) to the Human Resources Finance Committee Tues., Jan. 27. Sen. Linda Berglin (DFL-Mpls.) chaired the meeting.

"Minnesota has the fourth highest rate in the United States of frequent drinking of alcohol among women of childbearing age," said the first lady quoting Center for Disease Control statistics. She said she

became interested in the issue through her experience with Juvenile Courts in Hennepin County after she noticed juveniles exhibiting similar behaviors and researched their underlying causes. She said she noticed common histories of alcohol abuse and began "reading everything I could get my hands on" about Fetal Alcohol Syndrome. She said she joined the task force, attended hearings throughout the state, and realized how pervasive the problem is in state-wide systems. In particular, Carlson said, behaviors associated with FAS and Fetal Alcohol Effect (FAE) are driving up costs in juvenile corrections and welfare services.

Carlson said in the last biennial budget session \$1.25 million was appropriated to prevent and reduce the harm of FAS/FAE, with an additional \$500,000 appropriated during the special session. Carlson said a report on the initiative will be released later.

Kelly Gaines provided personal testimony on the help she received from the state to overcome her alcohol and drug addiction. She said she struggled with chemical abuse through three pregnancies before she was referred to Project Child in 1993. She said her oldest child now suffers from FAE-related behavioral problems but is receiving help from a variety of state agencies and the University of Minnesota. Gaines said she is now sober, employed by a treatment center, and committed to helping the community "get the message about the long-term effects of alcohol abuse on children."

Judge Joan Lancaster, co-chair of the task force, said there needs to be more public awareness of the effects of FAS. She said children are unable to live up to their full potential because of brain damage and, in many cases, end up as "problems of the system." For example, she said that of the 140 child protection families in the Hennepin County Court System, 90 percent involve alcohol abuse in some way. Carlson said that in one detention center, two-thirds of the patients suffer from FAS-related attention deficit disorder and 57 percent had below average intelligence.

Dr. Diane Pittman, PHS Indian Hospital, followed with an explanation of the neurological and behavioral signs and effects of FAS. She said these include organic brain damage, central nervous

system dysfunction, impulsiveness, hyperactivity, poor judgment, and learning disabilities.

Pittman said the hope in her message is that FAS is preventable and can be successfully treated if caught early, preferably prenatally. She said this is not an inner city problem but one that also affects suburban areas where alcohol abuse rates can be higher. She said to Legislators, "You have an opportunity to make ground-breaking efforts to relieve a devastating problem."

Berglin asked how FAS symptoms differ from other behavioral disorders. Dr. Pianan Chang, University of Minnesota, said that alcohol is a toxin that can do damage to the heart and other organs. He said the effects of FAS nearly always involve impaired intellectual function, which is not necessarily the case with attention deficit disorder.

Carlson said the task force is asking for an increase of \$5 million in FY 99 for a state-wide approach to preventing FAS and developing strategies. She said she urges Legislators to make a long-term commitment to continue the statewide public awareness campaign, improve statewide networks, increase training to health care professionals and others, and expand maternal assistance programs.

Anne Barry, commissioner, Dept. of Health, said the funding requests would be in the form of riders. Sen. Sheila Kiscaden (R-Rochester) said she was "disappointed to hear you talk of riders." Kiscaden said she was uncomfortable with an initiative involving \$5 million funding not presented formally in a bill that included priorities, cost projections, benefit analysis, and a full description of the overall program. Sen. Allan Spear (DFL-Mpls.) said he agreed with Kiscaden's remarks and said he echoed her request for a cost/benefit analysis.

Spear and Sen. Pat Piper (DFL-Austin) asked about the involvement of the alcohol industry in preventing FAS. Berglin also said she was concerned about "the alcohol industry's vague promises" during task force meetings she attended. Carlson said she had followed up with a letter to industry representatives requesting more specific information about their initiatives.

Finally, Dept. of Human Services representatives gave a presentation on priority projects included in the governor's 1998 capital budget recom-

mendations regarding regional treatment centers. Elaine Timmer, assistant commissioner, said the trend is moving toward reducing large congregate settings for the treatment of mental illness. She said the requests address the need to downsize and retool the system.

Jobs, Energy and Community Development

Welfare discussed

An update on the success of the 1997 welfare reform package was discussed by members of the Jobs, Energy and Community Development Committee and the Economic Development Budget Division Fri., Jan. 23. Sen. Steven Novak (DFL-New Brighton) and Sen. Tracy L. Beckman (DFL-Bricelyn) chaired the joint informational meeting.

Peggy Ingison the State Budget Director said the goal is to move more welfare recipients to work. "This is a major shift," Ingison said, "from cash benefits under AFDC (Aid to Families with Dependent Children) to an emphasis on non-cash benefits."

Ingison said, in the past costs were shared between state and federal authorities but now money is given to the state in fixed block grants. "If the cost goes the state portion goes up, but if costs go down the state realizes any savings," Ingison said.

According to documents provided to the committee by the Department of Finance, under the AFDC program, funding was shared by the state and the federal government. The rate of federal financial participation was generally between 51-54 percent. Under the arrangement of the block grant, the amount of federal funding in any given year is limited to the amount of the block grant. For Minnesota the block grant is set a \$268 million per year.

Ingison said the states focused on the removal of barriers to employment such as access to child care and health care.

Sen. Warren Limmer (R-Maple Grove) ask if state agencies have seen an increase in demand for welfare services. Ingison said the state has seen declining case loads due in part to growth in Minnesota's economy, but also, she said, more money is being spent on support services so people won't need welfare.

Ingison said the only way the new

welfare program is going to work is if we put people in jobs. "We have been working to pull together agencies that have specific goals," Ingison said. "This is difficult but important because we all have to support the goals."

Minnesota Trade and Economic Development Commissioner Jay Novak said updated the committee on two programs the department is using to move residents from welfare to the work force. He said the "Pathways" program is designed to act as a catalyst between business and education in developing cooperative projects that provide training, new jobs, and career paths for individuals making a transition to the work force. The commissioner added that grants of a maximum \$200,000 are awarded to educational institutions with businesses as partners.

Novak spoke about the Minnesota Job skills partnership, a program that awards grants to educational institutions with businesses as partners. He said preference is given to non-profit institutions that serve economically disadvantaged people, minorities or those who are victims of economic dislocation, and to businesses located in rural areas. Grants for the Job Skills Partnership Program, the commissioner said, can be a maximum of \$400,000 and can be used for educational infrastructure improvements necessary to support businesses located or intending to locate in Minnesota.

According to figures given to the committee by the Minnesota Job Skills Partnership, the "Pathways" program received an original allocation of \$1.5 million for FY 98. Novak said \$110,000 in grants have been awarded with \$1.39 million still to be awarded as of November 1997. The "Partnership" program, he said, received \$5.6 million of which \$1.9 million remains to be awarded.

Budget requests heard

Supplemental budget requests from the Department of Trade and Economic Development (DTED) and the Department of Economic Security (DES) were heard at a Tues., Jan. 27 joint meeting of the Jobs, Energy and Community Development Committee and the Economic Development Budget Division.

Most of the discussion centered around a request for a one time \$5 million appropriation to establish the Minnesota Film and Television Revolving Loan Fund.

Committee update

Minnesota Film Board Executive Director Randy Adamsick said that since 1990, 55 movies have been filmed in Minnesota. He said that when a movie is produced in the state, the production company moves here from Hollywood, and then returns when filming is complete. Adamsick said the purpose of the loan fund is to help develop the production industry locally so that the state is not dependent on Los Angeles for movie work.

Sen. Dave Johnson (DFL-Bloomington) asked about the types of jobs that would be created from the loan fund. Adamsick said that a typical major production results in full time temporary jobs that last an average of three months. Johnson further inquired as to what would be the impact on unemployment compensation once the jobs ended. Adamsick explained that the people who would be employed in the major productions, such as editors, technicians and local actors, operate on a free lance basis and are generally employed locally in theaters and commercial advertising productions. He said that once the major production ended, those involved would return to the work force in other productions so unemployment wouldn't be a concern.

Sen. Dennis Frederickson (R-New Ulm) said he was concerned the program might be an attempt to re-invent the wheel because of the existing lending institutions in the state. Adamsick said that lending for film production is specialized and the expertise doesn't exist in the state.

Adamsick added that such a loan program would be the first in the country although similar programs exist in Toronto and Vancouver, Canada. He added that the busiest movie production locations in North America outside of Los Angeles are those two Canadian cities. Adamsick said that if the revolving loan program is funded, it will have a turnover period of about four years and the interest charges on the loans would vary from three percent of smaller loans to two percent of the net profits of larger productions funded by the program.

DTED Commissioner Jay Novak presented a request for \$1 million for the Office of Tourism. Novak said the amount budgeted for tourism has remained the same at \$1.3 million since 1984. Comparing other advertising efforts to attract tourists, Novak said that the

state of Illinois spends \$28 million, the city of Chicago spends \$6 million, and Valley Fair spends just as much as the state of Minnesota. Committee Chair Steven Novak (DFL-New Brighton) asked if the budget increase would go towards more of the same or something different. Commissioner Novak said the money would be used to expand into foreign markets such as Osaka, Japan and Frankfurt, Germany. He added that the creative portion of advertising has taken an increasingly larger part of the budget, but the results of the advertising efforts have been impressive.

Another request heard was for \$1 million to aid flood recovery efforts in East Grand Forks, MN. Sen. Novak asked why the request was being made after the special session flood relief was passed. Louis Jambois of DTED said that Sacred Heart School in East Grand Forks didn't qualify for state bonding money, which was used as the state match for available federal funds, but the general fund money would leverage the federal money for the repair work.

Some criticism of the request was voiced by Sen. Randy Kelly (DFL-St. Paul). Kelly said that the Metro Area suffered some damage from severe storms in July, and the request should include areas outside the Red River Valley. Novak said the request was to insure that the school "did not fall through the cracks" of available aid, and legislation was being put together to address damage in the Metro Area.

One other DTED request heard by the committee was for \$155,000 to retire the debt of the Minnesota World Trade Center Corporation.

Other supplemental budget requests heard by the committee came from the DES, including one for \$1.4 million to benefit people with vision impairment. Assistant DES Commissioner for State Services for the Blind Dick Davis said the money would be used to upgrade equipment used with the Radio Talking Book program and fund the development of a digital production facility. Davis said the appropriation would be matched by a grant for the same amount from the St. Paul Foundation. He said the money would be used to replace the 29 year old receiver units currently used by vision impaired people. The new units are smaller and more portable and can accommodate the lifestyle of blind people

that is more active and mobile than when the older receiver units were first distributed, according to Davis. The other part of the appropriation would be used to develop a digital production center to make recorded materials more widely available and is compatible with the new receiver units planned for the Radio Talking Book program, Davis said.

Sen. Cal Larson (R-Fergus Falls) said that the current system isn't truly "statewide" and asked Davis how the agency plans to expedite that expansion. Davis responded that the new receiver units will provide expanded coverage, and the digital production facility will allow access to recordings of local newspapers throughout the state.

Sen. Kenric Scheevel (R-Preston) asked if, with recent efforts to develop the Internet, the digital production facility the best way to distribute the information. Davis replied that there are no transmission standards for information on the Internet, so not everything is available to blind people. Davis said also that distribution of materials through the Internet would cost more because the voice synthesizer units used to read information are quite expensive.

The DES is also requesting \$1 million to leverage federal dollars available to help people with severe disabilities, according to DES Assistant Commissioner for Rehabilitation Services Mick Coleman. Coleman said that without the appropriation, the state will have to return \$4 million to the federal government. Commissioner Jane Brown said that with the combined state and federal monies, the department can serve 6,900 additional people with disabilities. Sen. Dave Johnson inquired as to whether the amount was adequate to meet the need. Brown responded that the amount was determined by the available federal funds, but the department is surveying the need for disability services and their finding will be reflected in their budget request next year.

Other DES requests heard by the committee include \$200,000 for a job market analysis program. Brown said the pilot project produced good regional information and the appropriation will continue the program. The department is also requesting \$160,000 for the Alien Labor Certification program. Brown said that with critical shortages of workers in the information technology field and in

the building trades in the Red River Valley, many employers are requesting the department's help in finding qualified foreign workers. Brown said the department is required to certify that qualified Minnesota workers are not available to fill the vacancies. The governor is also requesting \$700,000 to build a workforce center in Pine County.

The committee took no action on any of the budget requests, but will use the information to put together their budget bill.

Judiciary

Grandparent visitation discussed

The Judiciary Subcommittee on Family Law met Fri., Jan. 23, to consider three separate bills on grandparent visitation rights. Sen. Leo Foley (DFL-Anoka) chaired the meeting.

Sen. Carol Flynn (DFL-Mpls.) presented the first bill, S.F. 365. She said the measure deals with a "highly emotional and difficult subject," but she asked that the committee consider mediation and the "best interests of the child" as the primary focus of the bill.

Sen. Becky Lourey (DFL-Kerrick) presented S.F. 595, modifying the present statute to allow grandparents or great-grandparents to petition the courts for visitation rights if a custodial parent interferes with the grandchild relationship. Lourey said she authored the bill in response to families and judges who felt that current law did not adequately address several issues. For example, Lourey said she was concerned that current law excluded grandparents who have not yet had contact with the grandchild, or had less than one year of contact. She said that courts needed more discretion to use grandparents in a caretaking role, if necessary. Lourey said the bill allows for a prima facie hearing to prevent visitation petitions from proceeding should a grandparent's criminal history or potential for abuse surface.

Sen. Steve Kelley (DFL-Hopkins) then presented S.F. 1979. He said his bills differs from the previous two bills in that it restricts the scope of visitation under the current law to the grandparent of a noncustodial parent's child. Deborah Pennant provided personal testimony and said she supports the bill because current statutes have done more harm than good. Parents, who have neither the time nor

the resources of the grandparents, are forced to respond to litigation, she said. She added that courts are unable to handle the complexities of highly individual cases and cannot properly investigate charges of abuse. She acknowledged that while some parental denial of visitation is based on "petty" reasons, most are for "valid protective reasons." Current statutes, she said, "compromise my parental rights and hinder my ability to protect my son's best interests."

In response to Sen. David Knutson's (R-Burnsville) question about differentiating between custodial and non-custodial grandparents, Kelley said there was a need to protect the rights of the non-custodial grandparent because familial relationships have been severed by divorce. He said he believed that if a grandparent of the custodial parent's child has a damaged relationship then it should be left to the grandparent to repair the ties, not the courts.

Kiscaden then offered an amendment to the bill which she said wove together the common threads of all three bills. Foley said he recommended the three authors meet to discuss the amendment. The committee agreed that the hearing on the issue of grandparent visitation rights would continue at a future date.

Finally, S.F. 2040, a bill authored by Foley, that changes provisions dealing with administrative courts, was held over for more discussion and testimony.

Technical bills advance

The Judiciary Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), approved three bills and advanced them to the floor, Mon., Jan. 26.

S.F. 2031, authored by Sen. Don Betzold (DFL-Fridley), makes technical changes in real estate and probate laws and in the Revised Uniform Partnership Act. Betzold said his bill makes "very technical changes to very technical laws." For example, he said one change will mean that six years after recording a deed from a religious corporation, title can be passed even though a required certificate has not been filed or recorded. Betzold said another change will clarify current practice that deeds filed with the County Recorder or Registrar of Titles must contain original signatures, prohibiting some use of electronic signatures. He said another section clarifies a probate issue concerning the inheritance

rights of an intentionally disinherited child. Lastly, an amendment to the bill corrects the effective date of the Revised Uniform Partnership Act, Betzold said.

Sen. Deanna Wiener (DFL-Eagan) presented S.F. 2230, a bill that amends the definition of housing for the elderly under the Minnesota Human Rights Act. She said the bill eliminates a requirement that elderly housing have significant services and facilities designed to meet the needs of older persons--a deletion that conforms to changes in federal law, she said. Sen. Allan Spear (DFL-Mpls.) said he was concerned that housing providers will use this deletion as a loophole to get around the law when offering services to the elderly. Jack Horner, Minnesota Multi-Housing Association, said that housing providers tend to over comply with the law to prevent lawsuits. Wiener said the bill would allow market forces to work so that senior citizens can choose facilities that meet their individual needs rather than paying for unwanted services mandated by law.

Finally, Sen. Linda Higgins (DFL-Mpls.) presented S.F. 663, a bill that recodifies landlord/tenant law. Carla Riehle, Revisor's Office, said a task force of landlord and tenant groups had worked hard to keep substantive changes out of the bill. She said the bill recodifies existing provisions, for example, to combine separate landlord/tenant sections into one section, reduce the use of archaic terms, and change the effective date. Sen. David Knutson (R-Burnsville) asked if any landlord/tenant groups objected to the bill. Higgins said key groups were at the table involved in the drafting of the language and did not oppose the bill.

Technical bills okayed

The Judiciary Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), sent two bills to the floor and recommended placing them on the Consent Calendar, Wed., Jan. 28. A third bill, on health care directives, generated lengthy debate and was held for further discussion.

S.F. 1440, authored by Ranum, makes technical changes to current law to provide for questions of law certified between the Appellate Court of Minnesota and other states or nations. Ranum said Judge Harriet Lansing, associate judge, Minnesota Court of Appeals, brought the bill to her "merely to make current language more understandable."

Committee update

The committee approved the bill and recommended it for the Consent Calendar.

S.F. 2030, authored by Sen. Linda Berglin (DFL-Mpls.) makes technical changes to the Putative Fathers Adoption Registry legislation adopted in 1997. Gary Debele, attorney, Minnesota State Bar Association, said the bill changes terminology to that used by the Supreme Court, provides that the law does not apply to international adoptions, and clarifies a court procedure. The committee approved the bill and placed it on the consent calendar.

The final bill presented to the committee, S.F. 2050, authored by Sen. Ember Junge (DFL-New Hope), generated more debate. Junge said the bill modifies provisions governing advance health directives by combining the statutes on living wills and durable powers attorney into one law governing health care directives. She said substantive changes provide more flexibility and allow patients to appoint guardians and agents to act on their behalf, and coordinate other health care provisions now separate under current law. She said the current Living Will Act in chapter 145B would be sunset effective August 1, 1998.

Barbara Blumer, Minnesota Bar Association, then fielded questions from Senators about the bill's substantive changes and possible unintended consequences. For example, she said the bill allows patients to appoint an agent or several joint agents to make health care decisions on their behalf, providing safeguards to protect against conflict of interest. Blumer said the bill allows that agent to act according to the patient's wishes even if the patient is still considered competent to make their own decisions. She said the bill also provides definitions for "decision-making capacity" and "acting in good faith." Sen. Warren Limmer (R-Maple Grove) asked Blumer to discuss the implications of the good faith issue and possible liabilities. Sen. Allan Spear (DFL-Mpls.) asked Blumer to consider the ramifications of reduced mental capacity of the agent or joint agents in the case of a patient's incapacitation.

Members of the Minnesota Medical Association said they were concerned with consent provisions regarding decision-making capacity, but said they were willing to work with Junge to clarify the language. Sen. Thomas Neuville (R-

Northfield) said sunset provisions regarding the physicians right to override a patient's directive through "conscientious objection" needed to stand in current statutes. Blumer said that constitutional provisions on the physician's right to object still apply. Jackie Schweitz, Minnesota Citizens Concerned for Life, said her organization objects to provisions that allow a pregnant woman to direct how she would like her pregnancy to affect health care decisions to be made on her behalf, if the directive leads to termination of the pregnancy.

The chair said S.F. 2050 would be discussed further at a later hearing.

K-12 Education Budget Division

Facilities report approved

The K-12 Education Budget Division Subcommittee on School Facilities and Infrastructure met Thurs., Jan. 22, to review a report on school facilities and its recommendations to the K-12 Budget Division. The recommendations of the report, entitled "Planning Now for 21st Century Community Facilities," were compiled by the subcommittee. They are based on a report by the Dept. of Children, Families, and Learning (CFL), entitled, "1997 Report on the Status of School Facilities in Minnesota."

In 1995 the Legislature directed CFL to perform a facilities standards evaluation of public elementary and secondary facilities in the state. Some of the primary findings of CFL's evaluation were that many school facilities lack adequate space, indoor air quality is a major problem, and meeting the state's facility needs over the next ten years is conservatively estimate to cost \$3 billion.

The subcommittee, chaired by Sen. Charles Wiger (DFL-North St Paul), heard a review of the subcommittee's recommendations from Dan Bryan, manager of the Management Assistance at CFL. The recommendations are for rule changes that make it easier for school districts to raise funds needed for facilities.

There is a recommendation to provide school districts levy authority for major maintenance projects (over \$200,000) if they are part of a 10 year facility plan that has been approved by CFL. Wiger emphasized that school districts need to submit a 10-year facility plan to CFL only if they want the additional levy authority.

A second recommendation to expand the alternative bonding/levy program to include more school districts was deleted from the report by the subcommittee.

Regarding the consolidation of the capital funding program, the report notes there are a number of funding programs with different equalization levels, adding to the complexity of the school funding system. There is a recommendation to include all capital funding aid programs in the debt service equalization aid program at the same equalization rate.

In the area of capital expenditures, current law limits projects that are funded with capital expenditure revenue to \$400,000. The recommendation is to repeal the \$400,000 limit for projects of general school maintenance, such as roof replacement. However, new construction over \$400,000 will continue to be prohibited without review and comment by CFL.

The report states that school districts are making slow progress toward compliance with disabled access requirements under the Americans with Disabilities Act (ADA). Current law provides for up to \$300,000 of unequalized levy authority to each school district, which the report states is inadequate for most districts. The recommendation is to establish an aid and levy program for disabled access as recommended by the governor.

The report finds that many school districts and the surrounding communities do not collaborate enough on building new facilities. Facilities are duplicated in some community, such as a city library and a school library. The recommendation is to add more incentives for building collaborative facilities. If a facility includes an educational component and also includes other human service, recreational or other related programs, debt service equalization aid will be applied to the total project.

Similarly, public libraries and school building media centers, which have common equipment and facilities, seldom co-locate and share them. The recommendation is that CFL will aggressively promote co-location of libraries and media centers by applying debt service equalization to the public library portion of the co-located facility.

The report includes five recommendations relating to the changing technology needs of school districts. It proposes to create a short-term program of technol-

ogy aid at the rate of \$75 per pupil, adopt technology benchmarks for the state and individual school districts, establish an interactive CFL website, increase time and resources for technology training for teachers, and provide more resources for non-teachers for technology training.

The subcommittee agreed that language will be developed in the recommendation to exempt certain projects from CFL's review and comment process.

The report and its recommendations were approved by the subcommittee and moved to the budget division for consideration.

Flood relief bill approved

At a meeting of the K-12 Education Budget Division Wed., Jan. 28, Sen. Linda Scheid (DFL-Brooklyn Park), presented two bills targeting school districts with high concentrations of at-risk students.

S.F. 2286 provides a levy for the Osseo School District to provide instructional services for at-risk children. The levy is called a "low income concentration levy."

S.F. 2285, also authored by Scheid, is a state-wide version of S.F. 2286. It provides a low income concentration levy to school districts that qualify.

Under the bill, a school district qualifies for the low-income concentration program if at least 20 percent of the enrolled students in a school are eligible for free or reduced price lunch, at least 20 percent of the enrolled students are students of color, and the district that is not wholly located in a city of the first class (Minneapolis, St. Paul, and Duluth). If approved, the levy will affect 18 school districts in Minnesota.

S.F. 2285 also provides the amount, based on a formula, that a school district may levy for the low-income concentration program. It requires the revenue to be used for the same purposes as compensatory education revenue. The bill becomes effective July 1, 1998, for levies payable in 1999 and later.

S.F. 2286, the Osseo School District levy bill, authorizes the district to levy, for taxes payable 1999 only, an amount not to exceed \$800,000.

Dr. Chris Richardson, superintendent of the Osseo School District, and Tom Bollin, superintendent of the Robbinsdale School District, testified in favor of the two bills. Richardson said certain

schools in the Osseo district have seen a rapidly increasing concentration of high-risk students. He said, "At some schools, 22-66 percent of the students are living in poverty, and 24-54 percent of the students are minority." In addition, there is a high rate of mobility among students, he said. Many students change schools in the middle of the year, leading to interruptions in their learning. He said these schools need additional funds to address the needs of their large concentrations of at-risk children.

Sen. Gen Olson (R-Minnetrista) expressed concern about raising property taxes without direct public approval for the levy. However, the discussion quickly turned to the question of how race and poverty impact educational achievement levels. Committee Chair Lawrence Pogemiller (DFL-Mpls.) opened the discussion by asking simply, "Do race and poverty matter in education?"

Superintendents Richardson and Bollins firmly responded that yes, they do.

Sen. David Knutson (R-Burnsville) said he would argue the problem is one more of mobility and attendance. Low achievement levels are apparently linked to students not being in school or changing schools in mid-year, he said. "If the problem is mobility, how does more money for enrichment specialists in the schools help the problem of mobility?" he asked.

Pogemiller said, "Evidence of the correlation between race, poverty, and mobility is overwhelming." He suggested the committee hire someone from the University of Minnesota to analyze the data on the issue.

Scheid moved S.F. 2285 and S.F. 2286 receive further consideration by the budget division after levy targets are determined. The motions were approved.

Sen. Roger Moe (DFL-Erskine) presented a bill, S.F. 2110, extending last year's appropriation for school districts affected by the 1997 floods until June 30, 1999. The 1997 bill provided a \$4.7 million appropriation for districts affected by the 1997 floods for expenses associated with the floods not covered by insurance or state or federal disaster relief. S.F. 2110 extends the appropriation into the second year of the biennium. There was no discussion of the bill. The members approved the bill for inclusion in the omnibus bill.

The members also heard Sen. Charles Wiger (DFL-North St. Paul) present S.F. 2007, a bill permitting a school district to levy the amount necessary to purchase type III school buses. Testimony in favor of the bill was offered by two representatives from the Mahtomedi School District. Mahtomedi's Superintendent, Dennis Rettke, said his district wants a levy in order to purchase 4 vans for \$100,000. Chair of the Mahtomedi School Board, Judy Schwartz, said there are many school projects that require students to take trips out of the school building. Currently, vehicles owned and driven by students' parents are being used to carry students on these trips. This has been deemed inadequate due to insurance liability concerns, she said.

Pogemiller said he thought the committee would be reluctant to give permanent levy authority but that temporary assistance might be possible. He asked Wiger to work with the Dept. of Children, Families and Learning and committee staff on the issue. S.F. 2007 was laid over.

The meeting concluded with further testimony on the bill, S.F. 2059, to eliminate the State Board of Education, authored by Sen. Gen Olson (R-Minnetrista).

Winona Sharp-Burke, the executive director of the Minnesota Academic Excellence Foundation (MAEF) said the board of MAEF is "pleased with the current configuration" of the governance structure. She raised concerns about accountability in education policy making if the state board is abolished, saying, "The State Board is more accountable to the public than a direct pipeline to CFL."

Audrey Tebo, Superintendent of the Academy of the Deaf, and Elaine Sveen, Superintendent of the Academy of the Blind in Faribault, testified that they are in support of the state board continuing to oversee the academies. "Things are working fine," Sveen said. However, they said that if the state board is to be abolished, they support an amendment offered by Sen. Thomas Neuville (R-Northfield) regarding the creation of a separate, independent board to oversee the Faribault academies.

The amendment states that the board must be composed of one superintendent of an independent school district, one special education director, the CFL

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commissioner or the commissioner's designee, one member of the blind community, one member of the deaf community, and two members of the public with business or financial expertise.

Bob Meeks, Director of Government Relations, State School Boards Association, said the association had no official position on the bill. However, in a poll of school board members and superintendents conducted by the association two weeks ago, 58 percent support continuation of the state board, 24 percent favored abolishing the board, and 18 percent were not sure. 600 school board members, about 25 percent of board members in the state, and 150 superintendents participated in the poll, he said.

Local and Metropolitan Government Committee

Three bills approved

The Local and Metropolitan Government Committee, chaired by Jim Vickerman (DFL-Tracy), took action on three bills, Mon., Jan. 26. The committee also heard a report from the Advisory Council on Community-Based Planning.

S.F. 2156 alters the dollar amount that the Hennepin County Board may approve for small purchases. The bill, authored by Senator Linda Higgins (DFL-Minneapolis), allows the board to authorize purchases of up to \$1,000. Current law limits the amount to \$250. Under the bill the annual limit for small purchases, \$10,000, remains in effect.

Phil Weber, Hennepin County Sheriffs Office inspector of financial services said raising the limit was a matter of convenience for repairs and small expenditures. He said he was not aware of any problems with the law except that the current dollar amount is too small.

Higgins offered an author's amendment removing the provisions of the bill that set money amounts and allows those limits to be set by the county in question. The amendment was adopted unanimously by voice vote. The bill was approved and advanced to the full Senate for consideration.

Next the committee took up a bill authored by Sen. Roger Moe (DFL-Erskine). S.F. 2017 grants an exception

from competitive bid requirements for the repair and reconstruction of the Bridges Medical Center in Ada. The center was destroyed in the 1997 spring floods. The city-owned medical center, which consists of a nursing home, hospital, and clinic, is in need of immediate reconstruction. Competitive bid requirements would unnecessarily delay the construction process.

Moe said SF. 2017 is similar to a bill the Legislature passed in August for a school district in the area. Ada received severe damage from the spring flooding that put 130 people out of work at the health care facility.

"It is difficult to get the sub contractors," Moe said, "we need to get started with this." Sen. Claire Robling (R-Prior Lake) asked Moe how much SF. 2017 would speed up the process. Moe said that the medical center needs flexibility when dealing with contractors. He added that the project will begin in May with the final phase beginning in July. S.F. 2017 was approved and sent to the Senate floor.

A bill to provide for the distribution of the money raised from the one-half cent sales tax authorized for St. Paul in 1993 was also heard. A portion of the sales tax was to be used for neighborhood and arts organizations is currently distributed to the city's cultural STAR program, would be awarded through a grant review process.

SF. 2051, authored by Sen. Richard Cohen (DFL-St. Paul) specifies that 80 percent of the revenue through the program would be awarded annually to nonprofit arts organizations, libraries, and museums located in the designated cultural district in downtown St. Paul, and the remaining 20 percent would be awarded to businesses to enhance visitor enjoyment of the district.

Cohen said as the city has used money, the legislative intent has fallen by the wayside. "This bill restores our original intent for the money," he added.

Sen. Edward Oliver (R-Deephaven) asked Cohen if passage of this bill would take money away from the St. Paul hockey arena. Cohen replied that no money would be diverted because a special portion of the sales tax go to the arena. Acting on a motion by Pappas, the bill was approved and re-referred to the Committee on Taxes.

Recorder bill heard

The Local and Metropolitan Government Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), took action on two bills and discussed another at the meeting Wed., Jan. 28.

S.F. 2384, authored by Sen. Janet Johnson (DFL-North Branch), authorizes the Chisago County Board, by resolution, to provide that the office of county recorder is not elective, but may be appointed by the county board. The bill also provides that upon the adoption of a resolution by the board, the duties of the county recorder would be discharged by a department head.

Chisago County Commissioner Tom Delaney said the person elected in November 1994 would continue to serve in that capacity until the term of office was completed or a vacancy occurred in the office.

"With the upcoming retirement of the current county recorder it will become harder to hold the line on property taxes and streamline the department," Delaney said, "efficiency, accountability, and reliability is what we think appointing the recorder will provide the county."

Chisago County Administrator Jim Thoren said the county has a very developed appointment process in place to hire qualified people who will serve residents interests. S.F. 2384 was approved and sent to the Senate floor.

S.F. 2155 shifts responsibility of dangerous dog registration from Dakota County to cities in the county. Metzen said Dakota County would still enforce the registration in parts of the county outside city limits under the bill. "This is a pilot project in Dakota County and if it works maybe we can try it state wide," Metzen said.

Dakota County Treasurer/Auditor Tom Novak said the bill requires residents, if issued a citation by animal control, to be responsible, within 14 days, for registering their dangerous dog with city officials. Cost for registration would be \$25. The resident also must show proof of liability insurance of no less than \$50,000 to obtain a licence. S.F. 2155 was approved and recommended for placement on the Consent Calendar.

The committee also briefly discussed S.F. 2192, authored by Sen. Dennis Frederickson (R-New Ulm), but took no action. The bill authorizes the Brown County Board to create a non-profit corporation for economic development.

Property Tax and Local Government Budget Division

Property tax reform discussed

Interested in getting feedback on last year's property tax bill, Committee Chair Sandra Pappas convened a meeting of the Property Tax and Local Government Budget Division Fri., Jan. 23., with a roster of ten presenters.

"I asked the people on the agenda to come in and talk about last year's property tax bill, because I think that there were a number of things adopted in conference committee that didn't have thorough hearings in the Senate," said Pappas.

Because of time constraints, five of the ten presenters were unable to speak before the meeting had to be adjourned, and were asked to return at a later date.

First to speak was Gordon Folkman with the Department of Revenue, who gave an overview of the major property tax provisions of the 1997 omnibus tax bill. He said that during most of the 1990's property tax became the single most significant tax, accounting for nearly 30 percent of total state and local tax collections, while the individual income tax comprised 28 percent. As a result, he said, one of the major goals of property tax reform is to reduce the state's dependency on the property tax.

"You'll see in the November 1997 forecast that property taxes no longer provides a greater share of revenue than income taxes," said Folkman. The forecast shows that income tax is now at 30 percent, and property tax is now at 27 percent, he said, as a result of new aid put into the system.

He said that the second objective is to increase the state's aid share for funding K-12 education to the levels existing in 1972, when the state's aid share was approximately 70 percent. Over the last ten years, the level have dropped to 60 percent, with the local property tax share making up the other 40 percent, he said, noting that "as a result of the tax bill we passed (last year), the state aid share has (already) increased from 61 to 65 percent."

The last main objective is to lower the level of property taxes paid by businesses and rental properties in Minnesota, he said, while still protecting homeowners. "In Greater Minnesota, a higher percentage of their levy is associated with the

general education levy," said Folkman. "And that's where the General Home-stead Credit comes in, to protect homeowners from that shift," he said.

Presenter Pam Neery, for the Institute for Local Self-Reliance, said providing decreasing ways for local governments to get revenues sets up manipulation of property taxes. "The federal government has withdrawn in a very dramatic fashion from support for local communities," she said. "A part of that has been a philosophical change, and a part of that has been the need to pay attention to the budget deficit."

Former Sen. Duane Benson, of the Minnesota Business Partnership, said that enactment of last year's property tax bill was "very appropriate." But the "footnote," he said, was that Minnesota is still number one in the country in property taxes paid by many businesses and apartments.

"I urge you to pursue what you said you were going to do last year, and then consider building in some notion of self-correction," said Benson.

Sen. Carol Flynn (DFL-Mpls.) asked Benson why, "if property tax goes to education...you want to reduce it, or switch it to housing."

Benson said that money for education should come from other taxes. "We've discussed in the past that (that) is the function more of the sales, income, and corporate tax--in other words, the general fund of the state. And that's really what you did last year," said Benson, "reducing the reliance on property taxes and in effect making property taxes a function of property-related costs."

Ramsey County Commissioner Sue Haigh also spoke about the issues of relating funds to services. "One of the issues that we'd like to see discussion on in the future is the difficult issue of what funding source to use to pay for what service," she said. "It's a tough discussion to have because it crosses over between the appropriations committees and the tax committees."

Committee on Taxes

Budget, tax overview

With little preamble, the Committee on Taxes moved S.F. 2041, authored by Committee Chair Doug Johnson (DFL-Tower), to the Consent Calendar during the Thurs., Jan. 22 meeting. The bill

provides that the property tax rebate enacted in the 1997 Omnibus Tax Bill applies to taxes assessed in 1996, even those prepaid in 1996 instead of when due in 1997.

The committee then heard the budget forecast and 1998 property tax review from the Departments of Finance and Revenue, respectively. Much of the committee discussion with the Finance Department centered around issues surrounding national and state capital gains efforts and effects. Economist Tom Stinson said that Minnesota experienced growth almost one percent stronger than inflation, down slightly from expectations. "Preliminary analysis indicates we're up \$200 million more than we forecast, about \$60 million of which was due to large acquisitions in the state," he said. "We had \$140 million that we weren't expecting show up," he said, likely a result of capital gains. He said that the state is treating the unexpected increase as a significant increase in capital gains.

Forecasting either a 25 percent or 35 percent growth in capital gains, depending upon which of the two methods they used, the federal government took the average of the two figures and predicted a 30 percent average, he said. For its calculations, the state used the first method to forecast the capital gains growth to be 25 percent for 1997, Stinson said. He noted that there was a certain level of apprehension that the growth was not resulting from the strength of the stockmarket. "I would much rather see this accrue in revenue where you're not going to get a 10 percent change in one year," he said.

People whose portfolios are not significantly diversified are going to take advantage of the "unlocking effect," he said, which will encourage individuals to take profits on their investments more quickly, thereby increasing the net capital gains income subject to the income tax.

Johnson said that some members of the Senate had expressed concerns regarding the increasing debt load faced by Minnesota, specifically the \$300 million a year spent in servicing the debt.

"I don't think a \$700 million budget, a one-time event, will affect the credit rating," said Stinson.

Johnson then questioned Minnesota's policy of increasing its spending on education and tax relief to compensate

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for the federal government's focus on decreasing the national debt.

"We see a huge debt capacity (and) we'd like to see discussions on other measures. In the past, the 3 percent guideline has served to constrain" us, said Peggy Ingison, also with the Department of Finance. "With that guideline, we could spend \$900 million," she said.

The Department of Revenue's Gordon Folkman began the department's presentation with an overview of the present property tax reform goals. Folkman said there are three main goals; to reduce the state's overall dependency on the property tax, to increase the state's aid share for funding K-12 education to 70 percent of the total levy plus aid revenue base for Minnesota public schools, and to begin reforming the state's complicated property tax classification system.

In 1972, the state's aid share was responsible for approximately 70 percent of education finance, and the local property tax covered the other 30 percent. Since the mid-eighties, that ratio had changed to a 60/40 state aid share/property tax ratio. Folkman said that presently the state's aid share has gone up to roughly 65 percent.

To help pursue these goals, Folkman said the administration is suggesting a two-year phase-in of the first of six administration recommendations, namely that the property tax target rates adopted by the Legislature in 1997 be fully implemented by 2000.

Other recommendations include an increase in the Education Homestead Credit to help protect homeowners from property tax shifts, an additional \$55 million in the General Education Aid to reduce the general education property tax levy in 1999 and 2000, and an increase of \$30 million for the County Family Preservation Aid in 2000. The increase for the County Family Preservation Aid looked like a good place to relieve some pressure faced by counties, he said.

The final recommendations include an extension of levy limits to the calendar year 2000, and establishing new target property classification rates for property classified as upper-tier commercial/industrial, for market rate apartments, and for first-tier single-family nonhomestead property.

Technical bills heard

Members of the Taxes Subcommittee on Income and Sales Tax met Tues., Jan. 27, to hear four measures. The first two proposals, the Dept. of Revenue policy bill and technical bill have not yet been introduced. However, representatives from the department explained the measures for the members. No action was taken on either measure.

The subcommittee, chaired by Sen. Steve Murphy (DFL-Red Wing), did approve two measures and advance them to the full Committee on Taxes.

S.F. 2266, carried by Sen. William Belanger (R-Bloomington), recodifies the petroleum and special fuels tax portions of the statutes. Belanger said the recodification is similar to that done for the portions of the statutes relating to cigarette taxes, charitable gaming taxes and liquor taxes. S.F. 2263, sponsored by Sen. Don Betzold (DFL-Fridley), makes technical and clarifying changes to tax disclosure provisions.

Transportation

Vehicle registration discussed

A bill to enact recommendations of the Nonfelony Enforcement Advisory Committee (NEAC) was laid over by the Transportation Committee Thurs., Jan. 22. Authored by Committee Chair Carol Flynn (DFL-Mpls.), S.F. 1022 recodifies traffic regulations and creates a new vehicle code, as recommended by NEAC.

The Legislature established NEAC in 1993 to evaluate the proportionality, prosecution, and enforcement of nonfelony offenses, including offenses pertaining to the operation of motor vehicles and the licensing of drivers. NEAC completed its report in 1997, and recommendations from the report were incorporated into bills that have been presented in both the Crime Prevention and Transportation Committees.

NEAC Chair Roger Battreall told the panel the NEAC bill before the Crime Prevention Committee had been laid over. According to Battreall, Committee Chair Allan Spear (DFL-Mpls.) said he would like the NEAC bill to be set up for fast action in next year's session.

Battreall also responded to a concern raised by the panel at an earlier hearing regarding the NEAC's recommendation to lower some vehicle offenses from gross misdemeanors to misdemeanors. Battreall

explained that currently the criminal justice system takes a very long time to process gross misdemeanor charges because they require a formal complaint issued by a judge. Because of the time required to process them, gross misdemeanors often slide down the list of priorities at the courthouse. Reducing some gross misdemeanors to misdemeanors allows faster action on those offenses.

The panel next heard testimony from Alice Gonzalo, assistant director of Driver and Vehicle Services at the Dept. of Public Safety, about changes to the vehicle registration system. She said under the present system deputy registrars do not have access to vehicle records. Providing access for deputy registrars to those records requires a fairly sophisticated system of communication between deputy registrars and a central data bank, she said. The fiscal note is about \$3 million to set up the computer system for this purpose, and another \$1.5 million each year to carry it through. Flynn said "The committee would be most supportive of a new computer system (because) we have had a number of complaints that things are not getting done at the Dept. of Public Safety."

The issue of whether to change the system for vehicle license registration was raised by Gonzalo and led to extensive discussion among the panel. Members expressed concern and irritation about the large number of Minnesota residents who apparently choose to register their vehicles in other states. Wisconsin, for example, charges a low, flat fee for vehicle registration, while Minnesota charges based on the age of the vehicle. Annual license-plate registration for a new car may be \$300 in Minnesota but only \$40 in Wisconsin, producing an incentive for Minnesota residents to go to Wisconsin to register their vehicles. Gonzalo told the panel, "some people actually think it's legal if they have a cabin in Wisconsin to have a Wisconsin license, even though the car is principally garaged in Minnesota."

Sen. William Belanger (R-Bloomington) said law enforcement doesn't seem to care if a Minnesota-licensed driver has Wisconsin plates. Flynn told the panel that in the current criminal statutes an attempt to escape a tax is, in fact, a gross misdemeanor.

The committee agreed that it is a problem when Minnesota residents register their vehicles in other states.

License tab fees pay for a significant proportion of the costs of road upkeep. When state residents register their cars out of state, those who do pay the license tax in Minnesota end up having to pay more, said Belanger.

Commuter rail report discussed

The first report of the Twin Cities Metropolitan Commuter Rail Study was presented Wed., Jan. 28, to the Transportation Committee. The study, authorized by the Legislature last year, assesses the potential for using existing freight rail corridors in the Twin Cities Metro Area for commuter rail service.

The Minnesota Dept. of Transportation (MnDOT) delegated responsibility to conduct the study to the Office of Freight, Railroads & Waterways. Director Al Vogel presented the findings of Phase I of the study to the committee, chaired by Sen. Carol Flynn (DFL-Mpls.). The study assessed the feasibility of providing commuter rail service along 19 existing freight railroad corridors in the Metropolitan Area.

Commuter rail is a passenger train service that primarily serves the commuter (suburban) market. It operates on existing railroad track, with fairly long distances between stations. Its service hours accommodate "peak" commuter travel times, and it is integrated with other transit services. Commuter rail differs from both light rail transit (LRT) and heavy rail or rapid transit (HRT). For example, commuter rail uses locomotives for power, while LRT is powered by a trolley wire and HRT is powered by an electrified third rail. Commuter rail also operates on existing freight track, while LRT and HRT do not.

Vogel said the tasks in Phase I of the Commuter Rail Study were to assess existing rail corridors in the Twin Cities Metro Area, analyze the commuter market, identify institutional issues, and produce a report on the findings. The expected outcome of Phase I was to select freight rail corridors for further study in Phase II.

In assessing the feasibility of existing railroad corridors in the Metro Area, the study used five quantifiable evaluation criteria. The criteria were: estimated daily ridership, passengers per route mile, operation and maintenance cost per passenger, capital costs, and total cost per passenger mile. It also examined institutional issues such as potential land use

impacts, potential environmental impacts, and highway and grade crossing impacts.

The study recommends six existing railroad corridors for further study for potential use in commuter rail service. One corridor runs between Minneapolis and St. Paul. The other five run from Minneapolis and St. Paul to Bethel, Elk River, Northfield, Hastings, and Forest Lake.

Several members of the committee expressed concern that the length of time of a commuter rail trip might not compare favorably to the time it takes covering the same distance by car. Sen. Dean Johnson (R-Willmar) said that in order to get commuters interested in commuter rail service the time of the trip needs to be kept under one hour. "If it's an hour and a half," he said, "I think they'll walk away from it." He directed members' attention to the study's estimate that commuter rail service from Maple Plain to Minneapolis, a distance of 40 miles, will take 94 minutes. He said that even under very bad traffic conditions, a car can cover that distance under 55 minutes.

Sen. Claire Robling (R-Prior Lake) said that in addition to the time commuters will spend riding commuter rail, many will have to spend additional time driving from their home to the station and then riding a bus from the downtown station to their worksite.

Flynn told the panel to consider that traffic congestion on major highways is expected to increase dramatically in the coming years. The commuter-rail study is being done in anticipation of serious highway congestion developing throughout the Metro Area within seven years. Commuting by car is likely to take much more time in the future than it does now, which will make commuter rail a more attractive alternative, she said.

Sen. Janet Johnson (DFL-North Branch) said, "If we wait six years for congestion there will be the public support (for commuter rail). But do we wait for the congestion? Politically, it's going to take a number of years to get the support. But it will be there." Johnson predicted that once people begin to face massive traffic congestion in their commutes they will make the lifestyle change to commuter rail.

Flynn said it was her impression that suburban Legislators are hearing from their constituents more and more that transportation problems are an important concern.

Most committee members expressed

their support for developing a commuter-rail system in the Metro Area while recognizing that there may not be strong public support for funding the project until the need becomes overwhelmingly apparent.

The Office of Freight, Railroads and Waterways will proceed with Phase II of the Twin Cities Metropolitan Commuter Rail Study, and will submit a report to the Legislature next year.

Transportation Budget Division

Budget requests heard

The Dept. of Transportation (MnDOT) presented supplemental budget recommendations to the Transportation Budget Division, chaired by Sen. Janet Johnson (DFL-North Branch), Mon., Jan. 26.

Dick Swanson, director of the Office of Financial Management at MnDOT, reviewed the two budget requests of the department.

The first is a request that \$50,000 from the general fund and \$11,000 from the trunk highway fund in FY 99 be transferred to the airport services fund. The airport services fund pays for the costs of air travel by state officials. Under a proposed change in the Minnesota Statutes, users will no longer be charged for the cost of pilot salaries and aircraft acquisition. In order to pay for these costs, MnDOT requests that funds be transferred from the general fund and trunk highway fund. The reason for the proposed change in the statutes is that lowering charge rates for users of the air transportation service will encourage its use for conducting state business, Swanson said. Increased use of air transportation saves time for state officials and thereby improves their efficiency and effectiveness, he added.

Sen. Mark Ourada (R-Buffalo) expressed opposition to the use of money from the trunk highway fund for air transportation services. "I object to really stretching the definition of the trunk highway fund's purpose," he said. The purpose of the fund is to be used for the maintenance, development, and improvement of the state's highways, he said.

Swanson responded that currently, when a MnDOT employee takes a car trip on official business, it is paid for by the trunk highway fund. Long trips to

Committee update

Greater Minnesota can be made much more quickly by aircraft than by car, he said.

The second MnDOT request is for an increase of \$23.4 million in FY 99 in state road construction to fund additional construction projects. The increase will raise the construction program level to \$465 million in FY 99. This will allow some projects to be completed earlier than was previously anticipated. Swanson explained that there is more money in the trunk highway fund than had earlier been predicted. MnDOT had set aside \$20 million in its financial plan in anticipation of a reduction in federal funds for road and bridge construction in FY 99. It now appears that the funds will not be reduced and therefore the money held in reserve should be spent on needed highway and bridge construction projects.

Pat Murphy, director of the State Aid Division at MnDOT, presented MnDOT's bonding request for \$31.77 million in FY 98 for local bridge replacement and rehabilitation. This figure, he said, is slightly higher than the \$30.9 million published in the capital budget request. It is also higher than the governor's recommendation of \$10 million in FY 98 for bridge replacement, he said.

The panel next heard testimony from MnDOT's Director of Ports and Waterways, Dick Lambert. He said most of the \$3 million appropriated by the Legislature in 1996 for the rehabilitation of ports and waterways has recently been allocated. The Port of Duluth was allocated \$1.5 million, the Port of St. Paul received about \$750,000, and the Port of Red Wing about \$500,000. There is now a balance of \$441,000 remaining, he said.

Lambert said MnDOT has included in their biennium request \$6 million for port rehabilitation. He said that last year the cost of dredging was not included in reha-bilitation. But the Legislature clarified last year that dredging would be included as rehabilitation qualifying for state funds.

The panel also heard testimony from members of the Minnesota Ports Association. Ray Skelton of the Port of Duluth said the port is a "critical link" in Minnesota's transportation system and provides nearly 3,000 family-wage jobs in the Duluth area, yet it is unable to

raise funds on its own to sustain its functioning.

Laurie Lauder of the Port of St. Paul said Minnesota ports play a very important role in moving the state's exports to market. "Minnesota provides \$12 billion in agricultural exports each year and 80 percent of these exports move through ports to the marketplace," she said.

The association is requesting \$6 million this year to make improvements to the ports in Minnesota. Johnson said the request was not recommended by the governor. "It's not all over yet in divvying up the pie but we have been given a directive to stick to the governor's requests," she said.

Sen. Steve Murphy (DFL-Red Wing) said he will introduce a bill for the Minnesota Port Association's bonding request.

The panel next heard the supplemental budget requests of the Dept. of Public Safety. Colonel Ann Beers, chief of the State Patrol, presented a request for \$294,000 in FY 99 for the addition of seven security positions and one dispatcher for the new Dept. of Revenue building.

She said the governor also recommends \$694,000 in FY 99 to fund equipment costs that are essential to the replacement and maintenance of the statewide communications system infrastructure of the State Patrol. She said the budget, at its current level, cannot fund replacement of equipment on schedule. "We strongly feel this is a trooper safety issue," she said, "We need to have radios in good repair for the safety of our state troopers."

The panel heard from Kathryn Burke Moore, Director of Driver and Vehicle Services, on a request for \$200,000 in FY 98 and FY 99 from the trunk highway fund for the increases in the vendor contract for the production of drivers licenses. Increases in the current contract are for increased overhead costs for the company, she said. The overall payment to the vendor is \$1.85 million per year, so it is a relatively small increase, Burke said.

Budget requests continue

The Transportation Budget Division, chaired by Sen. Janet Johnson (DFL-North Branch), continued to hear presentations of capital and supplemental budget requests Tues., Jan. 27.

Ron Lagerquist, an architect in the Building Section at MnDOT, presented the governor's one capital budget request

for the section. The request is for \$11.959 million to remodel the headquarters building in St. Cloud. The building will be jointly occupied by Mn/DOT, the State Patrol and the Dept. of Natural Resources (DNR), he said. The funding will be divided between the trunk highway fund and bonding. Lagerquist said, \$9.429 million for the Mn/DOT and State Patrol portion will come from the trunk highway fund, and \$2.530 million for the DNR portion will come from bonding.

Lagerquist explained the rationale for the St. Cloud remodeling project. "The St. Cloud area has had the highest population growth in the state. This growth leads to increased use of the highways and a greater need for customer service from Mn/DOT, the State Patrol, and DNR," he said. He told the panel that that current conditions at the St. Cloud headquarters are crowded and inadequate.

Colonel Anne Beers, chief of the State Patrol, presented a supplemental budget request and a capital budget request for funding for the State Patrol, an agency in the Dept. of Public Safety. The supplemental budget request is for an increase of \$5.253 million in FY 99 to provide additional staff for the State Patrol. Beers explained that current funding levels do not allow enough state troopers to provide 24-hour coverage on interstate highways or within some significant population areas. The requested increase in funding provides an additional 47 troopers, enabling the State Patrol to provide full 24-hour coverage. The initiative will also add 7 radio communications operators. The steady increase in cellular telephones has caused a massive increase in calls to the state patrol, she said.

Beers also presented a capital budget request for \$1.328 million in FY 98 to construct a new State Patrol training facility at Camp Ripley in Little Falls. State Patrol training currently operates at the MnDOT training center in Arden Hills, which Beers said is inadequate for providing the full course of training required for State Patrol employees.

Frequently called numbers

Information, Senate

231 Capitol 296-0504
Toll free 1-888-234-1112

Information, House

175 State Office Building 296-2146
Toll free 1-800-657-3550

Preview

Monday, February 2nd

Joint Meeting of the Transportation and Transportation Budget Division

Chair: Sen. Janet Johnson

9 a.m. Room 112 Capitol

Agenda: S.F. 417-Flynn: Transit ways in the Metro Area. S.F. 2626-Pappas: Transit-related capital improvements. S.F. 2347-Flynn: Increasing excise tax on gasoline; MVET to transit assistance fund. S.F. 2349-Ourada: Surface transportation fund; 30 percent MVET to surface transportation fund. S.F. 2614-Flynn: Transportation improvement fund; increasing motor fuels tax. S.F. 2664-Johnson, J.B.: Redefining road or highway; establishing spending goals; operations of State Patrol from general fund; periodic adjustment of motor fuels tax.

The Senate will meet at 11:00 a.m.

Election Laws Committee

Chair: Sen. John Marty

12 noon Room 112 Capitol

Agenda: S.F. 2430-Pogemiller: Post reapportionment voter registration. S.F. 2302-Scheevel: County election procedures. S.F. 59-Marty: One house legislature.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: S.F. 2330-Stevens: Transferring powers and duties of the DNR commissioner to a board of natural resources. S.F. 2444-Stevens: Extending certain angling seasons in 1998.

Judiciary Committee

Chair: Sen. Jane Ranum

12 noon Room 15 Capitol

Agenda: Any bills from subcommittees; S.F. 2134-Betzold: Revisors bill. S.F. 2378-Junge: Defines terms "professional" and professional services. S.F. 1654-Ten Eyck: Fee changes for filing and recording certain documents. S.F. 2382-Kiscaden: Human rights, changing a deadline for the determination of complex cases.

Crime Prevention Committee

Chair: Sen. Allan Spear

2 p.m. Room 15 Capitol

Agenda: S.F. 2087-Berglin: Prostitution enforcement and penalty assessment reports. S.F. 2103-Novak: Arson investi-

gation and penalties. S.F. 2182-Ranum: Harassment statute update. S.F. 2252-Wiener: Intensive supervision for DWI enhanced gross misdemeanor offenders. S.F. 2317-Higgins: Compensation for third parties for property damaged in the course of law enforcement activities.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman

2 p.m. Room 107 Capitol

Agenda: S.F. 2119-Johnson, J.B.: Municipalities to provide for contract bid specifications. S.F. 2192-Frederickson: Brown County nonprofit corporation authorization. S.F. 2385-Johnson, J.B.: Exempting town of Wyoming and Chisago City from reimbursement requirements for orderly annexed property. S.F. 2525-Wiger: Ramsey County purchases from a health care cooperative. S.F. 2644-Wiger: Classifying certain documents as nonpublic. S.F. 2645-Wiger: Affirmative action plans by certain contractors.

Tuesday, February 3rd

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

8 a.m. Room 123 Capitol

Agenda: S.F. 2056-Wiger: Forestall erosion in Willernie; Forest Resources Council Report.

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper

8 a.m. Room 15 Capitol

Agenda: S.F. 2360-Lesewski: Appropriating money for early childhood and family education programs. S.F. 2532-Piper: Department of Children, Families and Learning technical corrections. S.F. 2235-Samuelsen: Providing for additional family visitation centers.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

8 a.m. Room 107 Capitol

Agenda: Continuation of U of M supplemental budget presentation.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller

8 a.m. Room 112 Capitol

Agenda: Bonding recommendations, bonding bills. Agenda will be revised to include specific bills.

Health and Family Security Committee

Chair: Sen. John Hottinger

10 a.m. Room 15 Capitol

Agenda: S.F. 1984-Wiener: Post kidney transplant drugs. S.F. 2108-Berglin: Lead abatement. S.F. 2130-Foley: Durable medical equipment. S.F. 2509-Hottinger: Crisis Nurseries. S.F. 1076-Sams: Coverage of off label drugs.

Jobs, Energy and Community Development Committee

Chair: Sen. Steven Novak

10 a.m. Room 123 Capitol

Agenda: S.F. XXXX-Kelley: Telephone assistance program.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

12 noon Room 15 Capitol

Agenda: S.F. 726-Knutson: Procurement reform bill.

Joint Meeting of the Transportation and Transportation Budget Division

Chair: Sen. Janet Johnson

12 noon Room 112 Capitol

Agenda: Overview of Metropolitan Council funding requests, and continuation of discussion on funding bills.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams

2 p.m. Room 107 Capitol

Agenda: S.F. 2414-Frederickson: Providing for associations of producers; setting dispute resolution procedures; GEIS - Dave Nelson, Susan Schmidt; EQB - Mike Sullivan; public testimony.

Commerce Committee

Chair: Sen. Sam Solon

2 p.m. Room 112 Capitol

Agenda: S.F. 2293-Solon: Township mutuals investment options. S.F. 2014-Oliver: Modifying CPA licenses. S.F. 2608-Wiener: Increasing maximum lifetime benefit for MCHA policies.

Joint House/Senate Subcommittee on Claims

Chairs: Sen. Randy Kelly and Rep. Edgar Olson

2:30 p.m. Room 500N SOB

Agenda: Claims against the Dept. of Administration, Dept. of Corrections and Dept. of Transportation. Discussion of legal fees paid by departments. Discussion of return of filing fee.

Preview

Governmental Operations Budget Division

Chair: Sen. Leonard Price

4 p.m. Room 125 Capitol

Agenda: Dept. of Finance, Minnesota Planning, and State Auditor. Supplemental and capital budget review.

Property Taxes and Local Government Budget Division

Chair: Sen. Sandra Pappas

4 p.m. Room 15 Capitol

Agenda: S.F. 2249-Olson: Governor's tax proposal. S.F. 2297-Vickerman: Change levy limits of regional development commission. S.F. 2116-Hanson: City aid base increase. S.F. 2254-Murphy: Mortgage registry, county treasurer pay in more than one county. S.F. 2135-Wiener: Tax and special assessment deferral on property dedicated to the arts. S.F. 2388-Langseth: Border city enterprise zones. S.F. 2074-Stumpf: County assessor notification on ag homestead abandoned due to floods. S.F. 2218-Pappas: Mortgage deed to counties.

Joint Meeting of the Transportation and Transportation Budget Division

Chair: Sen. Janet Johnson

4 p.m. Room 318 Capitol

Agenda: Discussion on funding bills.

Health and Family Security Budget Division

Chair: Sen. Don Samuelson

5:30 p.m. Room 123 Capitol

Agenda: Testimony on proposed budget.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams

6 p.m. Room 107 Capitol

Agenda: Public testimony continued from afternoon meeting

Health and Family Security Committee

Chair: Sen. John Hottinger

7:00 p.m., Christ Lutheran Church - 105 University Ave. W., St. Paul

Agenda: Public hearing on reductions in food stamps and other nutritional programs.

Wednesday, February 4th

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper

8 a.m. Room 15 Capitol

Agenda: S.F. 2240-Foley: Providing

emergency assistance and transitional housing. S.F. 2251-Higgins: Establishing a grant program to fund statewide information and referral services.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

8 a.m. Room 107 Capitol

Agenda: HESO supplemental budget presentation. Senator Murphy presentation on Vocational Technical Education Council roundtable.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller

8 a.m. Room 112 Capitol

Agenda: To be announced.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

10 a.m. Room 15 Capitol

Agenda: S.F. 2055-Pogemiller: Resolution to support Poland's admission to NATO. S.F. 2416-Fredrickson: Modifying state debt collections. S.F. 2429-Wiener: Adding a member to the local government services advisory council. S.F. 2315-Robertson: Director of office of technology as member of various organizations. S.F. 2477-Stumpf: Codifying reorganization order 179, with respect to the Depts. of CFL and Economic Security. S.F. 2520-Flynn: Ratifying labor agreements. S.F. 2609-Johnson, D.E.: Providing for design build contracts.

Health Care Access Subcommittee

Chair: Sen. David Ten Eyck

10 a.m. Room 15 Capitol

Agenda: S.F. 709-Ten Eyck: Requiring health insurers to cover care by any licensed provider willing to serve the insurer's enrollees.

State of the State Address at 12 noon.

Judiciary Committee

Chair: Sen. Jane Ranum

1 p.m. Room 15 Capitol

Agenda: Preview of S.F. 2277-Kiscaden: child welfare. S.F. xxxx-Ranum: Child welfare. S.F.2201-Knutson: Child protection data. S.F. 2572-Betzold: Clarifying the definition of child in need of protective services.

Crime Prevention Committee

Chair: Sen. Allan Spear

2 p.m. Room 15 Capitol

Agenda: S.F. 1960-Neuville: Constitu-

tional amendment permitting courts to deny bail to protect public safety.

Governmental Operations Budget Division

Chair: Sen. Leonard Price

2 p.m. Room 125 Capitol

Agenda: Attorney general's supplemental budget review.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman

2 p.m. Room 107 Capitol

Agenda: To be announced.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

4 p.m. Room 107 Capitol

Agenda: OEA - Capital budget; PCA - State revolving fund; PFA - Capital budget

Committee on Taxes

Chair: Sen. Douglas Johnson

4 p.m. Room 15 Capitol

Agenda: S.F. 2263-Betzold: Department of Revenue bill-technical changes to tax disclosure provisions. S.F. 2266-Belanger: Department of Revenue bill-recodify tax on petroleum and special fuels. S.F. 2566-Scheid: Department of Revenue policy bill. S.F. 2570-Belanger: Department of Revenue technical bill; Confirmation of George W. Perez appointment to the Tax Court.

Crime Prevention and Judiciary Budget Division

Chair: Sen. Randy Kelly

6 p.m. Room 123 Capitol

Agenda: Supplemental budget requests.

Thursday, February 5th

The Senate will meet at 9:00 a.m.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

12 noon Room 15 Capitol

Agenda: Continuation of previous meeting's agenda.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams

2 p.m. Room 107 Capitol

Agenda: S.F. 2341-Beckman: Expanding a grant program for livestock and dairy

processing and marketing ventures to include other commodities; S.F.2649-Wiger: Requiring labeling of unpasteurized fruit juices for cider.

Commerce Committee

Chair: Sen. Sam Solon

2 p.m. Room 112 Capitol

Agenda: S.F. 2262-Novak: Regulating reinsurance intermediary-brokers, providing for investment of funds held or collected. S.F. 2402-Stevens: Prohibiting unauthorized possession of or damage to merchandise pallets. S.F. 533-Kelley, S.P.: Unclaimed Property Act.

Human Resources Finance Committee

Chair: Sen. Linda Berglin

4 p.m. Room 112 Capitol

Agenda: Governor's bonding recommendations.

Joint Meeting of the Transportation and Transportation Budget Division

Chair: Sen. Janet Johnson

4 p.m. Room 107 Capitol

Agenda: Continuation of discussion of funding bills.

Taxes Subcommittee on Income and Sales Tax

Chair: Sen. Steve Murphy

4 p.m. Room 15 Capitol

Agenda: S.F. 2249-Olson: Property tax rebate; property tax simplification and reform. S.F. 2016-Pappas: Exempting certain libraries from sales and use taxes. S.F. 2075-Stumpf: Extending the time period for certain events that qualify for a sales tax exemption. S.F. 2037-Price: Exempting sales to political subdivisions. S.F. 2128-Vickerman: Exempting sales to political subdivisions of the state. S.F. 2131-Larson: Fergus Falls authorizing certain taxes. S.F. 2243-Johnson,D.J.: Providing an exemption for construction materials for the Duluth Convention Center. S.F. 2292-Vickerman: Gravel, equipment, and vehicles purchased by a town for road maintenance are exempt. S.F. 2389-Anderson: Expanding the dependent care credit.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

6 p.m. Room 123 Capitol

Agenda: S.F. 1587-Morse: Environmental trust fund and permanent school fund distributions of 5.5 percent per year; Board of Water and Soil Resources -

Capital budget. S.F. 2125-Vickerman: Passing on the farm bill.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzner

6 p.m. Room 107 Capitol

Agenda: To be announced.

Health and Family Security Committee

Chair: Sen. John Hottinger

6 p.m. Room 15 Capitol

Agenda: Impact of new research on HIV/AIDS prevention and care. S.F. 2639-Ten Eyck: STD prevention initiatives. S.F. 2633-Berglin: DHS; Health care. S.F. 2411-Johnson, D.J.: Respiratory disease study.

Judiciary Subcommittee on Data Privacy and Information Policy

Chair: Sen. Don Betzold

6 p.m. Room 112 Capitol

Agenda: S.F. 2201-Knutson: Child protection. S.F. 2277-Kiscaden: Department of Human Services child welfare reform. S.F. 2572-Betzold: Child protection. S.F. XX-Ranum: Child protection.

Crime Prevention Committee

Chair: Sen. Allan Spear

7 p.m. Room 15 Capitol

Agenda: S.F. 2199-Johnson, D.H.: Bail bond enforcement services regulation. S.F. 2259-Johnson, D.H.: Conditions of release data system. S.F. 2365-Ranum: No credit for time served in a juvenile facility for revoked EJJ offenders. S.F. 2368-Spear: Sentencing guidelines modification relating to departures based on plea bargains. S.F. 2369-Spear: Justifiable homicide.

Friday, February 6th

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

8 a.m. Room 107 Capitol

Agenda: Regent selection process.

Health and Family Security Committee

Chair: Sen. John Hottinger

10 a.m. Room 15 Capitol

Agenda: S.F. 2331-Hottinger: Manufactured home parks study.

Legislative Audit Commission

Chair: Sen. Deanna Wiener

10:30 a.m. Room 118 Capitol

Agenda: Review of the Program Evaluation Report on Transit Services.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: S.F. 2154-Hanson: Conveyance of sale of tax-forfeited lands in Anoka County. S.F. 2334 Johnson, J.B. Requiring snowmobiles registered in another jurisdiction to have a state trail use sticker. S.F. 2351-Vickerman: Private sale of land in Rock County. S.F. 2381-Krentz: Modifying the description of a state trail in Ramsey and Washington Counties.

Judiciary Committee

Chair: Sen. Jane Ranum

12 noon Room 15 Capitol

Agenda: S.F. 2277-Kiscaden: Child welfare. S.F. xxxx-Ranum: Child welfare. S.F.2201-Knutson: Child protection data. S.F. 2572-Betzold: Clarifying the definition of child in need of protective services.

Crime Prevention and Judiciary Budget Division

Chair: Sen. Randy Kelly

2 p.m. Room 15 Capitol

Agenda: To be announced.

Legislative Commission on Pensions and Retirement

Chair: Sen. Steven Morse

2 p.m. Room 112 Capitol

Agenda: To be announced.

Property Taxes and Local Government Budget Division

Chair: Sen. Sandra Pappas

2 p.m. Room 107 Capitol

Agenda: To be announced.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

4 p.m. Room 107 Capitol

Agenda: Department of Natural Resources

Transportation (16)

Chair: Flynn **Vice Chair:** Murphy
Office: 120 Capitol **Phone:** 296-5099
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds. 10-11:45 a.m.; Room 112

Members:

Belanger	Johnson, D.H.	Laidig	Robling
Day	Johnson, D.E.	Langseth	Sams
Hanson	Johnson, J.B.	Ourada	
Janezich	Kelly, R.C.	Pappas	

Budget Divisions**Crime Prevention and Judiciary Budget Division (13)**

Chair: Kelly, R.C. **Phone:** 296-5285
Office: 323 Capitol **Phone:** 296-5285
Meets: Mon., Weds., Fri., 2-3:45 p.m.; Room 15

Members:

Anderson	Junge	Neuville	Ten Eyck
Beckman	Knutson	Ranum	
Belanger	Laidig	Spear	
Betzold	Limmer		

Economic Development Budget Division (14)

Chair: Beckman **Phone:** 296-5713
Office: 124G Capitol **Phone:** 296-5713
Meets: TBA

Members:

Anderson	Kelly, R.C.	Novak	Wiener
Higgins	Larson	Oliver	
Janezich	Lesewski	Ourada	
Johnson, D.H.	Murphy	Runbeck	

Environment and Agriculture Budget Division (12)

Chair: Morse **Phone:** 296-5649
Office: G-24 Capitol **Phone:** 296-5649
Meets: Mon., Weds., Fri., 12 noon-1:45 p.m.; Room 107

Members:

Berg	Johnson, J.B.	Lessard	Stumpf
Dille	Krentz	Pariseau	Vickerman
Frederickson	Laidig	Price	

Family and Early Childhood Education Budget Division (9)

Chair: Piper **Vice Chair:** Foley **Phone:** 296-9248
Office: G-9 Capitol **Phone:** 296-9248
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 15

Members:

Higgins	Lesewski	Marty	Terwilliger
Janezich	Lourey	Robling	

Governmental Operations Budget Division (11)

Chair: Price **Phone:** 296-5099
Office: 235 Capital **Phone:** 296-5099
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds., 10-11:45 a.m.; Room 15

Members:

Betzold	Marty	Runbeck	Wiger
Cohen	Metzen	Scheid	
Frederickson	Robertson	Stevens	

Health and Family Security Budget Division (14)

Chair: Samuelson **Phone:** 296-4875
Office: 124 Capitol **Phone:** 296-4875
Meets: Tues., Thurs., Fri., 10-11:45 a.m.; Room 15

Members:

Berglin	Hottinger	Piper	Terwilliger
Dille	Kiscaden	Sams	
Fischbach	Lourey	Solon	
Foley	Morse	Stevens	

Higher Education Budget Division (9)

Chair: Stumpf **Vice Chair:** Ten Eyck **Phone:** 296-8660
Office: G-24 Capitol **Phone:** 296-8660
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 107

Members:

Kelley, S. P.	Kleis	Murphy	Wiener
Kiscaden	Larson	Solon	

K-12 Education Budget Division (15)

Chair: Pogemiller **Vice Chair:** Wiger **Phone:** 296-7809
Office: 235 Capitol **Phone:** 296-7809
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 112

Members:

Hanson	Krentz	Pappas	Scheid
Janezich	Langseth	Ranum	
Junge	Neuville	Robertson	
Knutson	Olson	Scheevel	

Property Taxes and Local Government Budget Division (13)

Chair: Pappas **Phone:** 296-1802
Office: 120 Capitol **Phone:** 296-1802
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 15

Members:

Day	Kelley, S.P.	Pariseau	Vickerman
Flynn	Novak	Pogemiller	
Hottinger	Oliver	Price	
Johnson, D.J.	Olson	Scheevel	

Transportation Budget Division (10)

Chair: Johnson, J.B. **Phone:** 296-5419
Office: G-9 Capitol **Phone:** 296-5419
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds. 10-11:45 a.m.; Room 112

Members:

Belanger	Hanson	Langseth
Day	Johnson, D.E.	Ourada
Flynn	Johnson, D.H.	Sams

Taxes and Finance Committees**Committee on Taxes (23)**

Chair: Johnson, D.J. **Vice Chair:** Scheid **Phone:** 296-4839
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 15
Office: 205 Capitol **Phone:** 296-4839

Members:

Anderson	Hottinger	Novak	Price
Belanger	Kelley, S.P.	Oliver	Runbeck
Berg	Knutson	Olson	Vickerman
Betzold	Lesewski	Pappas	
Day	Marty	Pariseau	
Flynn	Murphy	Pogemiller	

Education Finance Committee (13)

Chair: Langseth **Vice Chair:** Krentz **Phone:** 296-9612
Office: 122 Capitol **Phone:** 296-9612
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 123

Members:

Foley	Johnson, D.E.	Piper	Scheevel
Hanson	Larson	Robertson	Wiger
Higgins	Moe, R.D.	Robling	

Human Resources Finance Committee (15)

Chair: Berglin **Vice Chair:** Sams **Phone:** 296-4151
Office: 309 Capitol **Phone:** 296-4151
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 112

Members:

Beckman	Kleis	Samuelson	Terwilliger
Johnson, D.H.	Lourey	Spear	
Kelly, R.C.	Neuville	Stevens	
Kiscaden	Ranum	Ten Eyck	

State Government Finance Committee (16)

Chair: Cohen **Vice Chair:** Janezich **Phone:** 296-5308
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 107
Office: 317 Capitol **Phone:** 296-5308

Members:

Dille	Junge	Metzen	Stumpf
Fischbach	Laidig	Morse	Wiener
Frederickson	Lessard	Ourada	
Johnson, J.B.	Limmer	Solon	

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Party	Phone	Name	Room	Dist.	Party	Phone	Name	Room	Dist.
DFL	296-5537	Anderson, Ellen R.	G-24 Cap.	66	DFL	6-5645	Marty, John	325 Cap.	54
DFL	6-5713	Beckman, Tracy L.	124B Cap.	26	DFL	6-4370	Metzen, James P.	303 Cap.	39
R	6-5975	Belanger, William V.	113 SOB	41	DFL	6-2577	Moe, Roger D.	208 Cap.	2
IND	6-5094	Berg, Charles A.	G-51 SOB	13	DFL	6-5649	Morse, Steven	G-24 Cap.	32
DFL	6-4261	Berglin, Linda	309 Cap.	61	DFL	6-4264	Murphy, Steve	301 Cap.	29
DFL	6-2556	Betzold, Don	306 Cap.	48	R	6-1279	Neuville, Thomas M.	123 SOB	25
DFL	6-5931	Cohen, Richard J.	317 Cap.	64	DFL	6-4334	Novak, Steven G.	322 Cap.	52
R	6-9457	Day, Dick	147 SOB	28	R	6-4837	Oliver, Edward C.	121 SOB	43
R	6-4131	Dille, Steve	103 SOB	20	R	6-1282	Olson, Gen	119 SOB	34
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DFL	6-4274	Flynn, Carol	120 Cap.	62	DFL	6-1802	Pappas, Sandra L.	120 Cap.	65
DFL	6-4154	Foley, Leo T.	G-9 Cap.	49	R	6-5252	Pariseau, Pat	109 SOB	37
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DFL	6-6153	Hottinger, John C.	120 Cap.	24	DFL	7-8061	Ranum, Jane B.	306 Cap.	63
DFL	6-8017	Janezich, Jerry R.	328 Cap.	5	R	6-4314	Robertson, Martha R.	125 SOB	45
DFL	6-9261	Johnson, Dave	111 Cap.	40	R	6-4123	Robling, Claire A.	151 SOB	35
R	6-3826	Johnson, Dean E.	117 SOB	15	R	6-1253	Runbeck, Linda	107 SOB	53
DFL	6-8881	Johnson, Douglas J.	205 Cap.	6	DFL	7-8063	Sams, Dallas C.	328 Cap.	11
DFL	6-5419	Johnson, Janet B.	G-9 Cap.	18	DFL	6-4875	Samuelson, Don	124 Cap.	12
DFL	6-2889	Junge, Ember R.	205 Cap.	46	R	6-3903	Scheevel, Kenric J.	129 SOB	31
DFL	7-8065	Kelley, Steve	321 Cap.	44	DFL	6-8869	Scheid, Linda	317 Cap.	47
DFL	6-5285	Kelly, Randy C.	323 Cap.	67	DFL	6-4188	Solon, Sam G.	303 Cap.	7
R	6-4848	Kiscaden, Sheila M.	135 SOB	30	DFL	6-4191	Spear, Allan H.	120 Cap.	60
R	6-6455	Kleis, Dave	143 SOB	16	R	6-8075	Stevens, Dan	105 SOB	17
R	6-4120	Knutson, David L.	133 SOB	36	DFL	6-8660	Stumpf, LeRoy A.	G-24 Cap.	1
DFL	6-7061	Krentz, Jane	235 Cap.	51	DFL	6-4913	Ten Eyck, David J.	G-24F Cap.	4
R	6-4351	Laidig, Gary W.	141 SOB	56	R	6-6238	Terwilliger, Roy	115 SOB	42
DFL	6-3205	Langseth, Keith	122 Cap.	9	DFL	6-5650	Vickerman, Jim	226 Cap.	22
R	6-5655	Larson, Cal	153 SOB	10	DFL	7-8073	Wiener, Deanna L.	303 Cap.	38
R	6-4125	Lesewski, Arlene J.	131 SOB	21	DFL	6-6820	Wiger, Charles W.	325 Cap.	55
DFL	6-4136	Lessard, Bob	111 Cap.	3	Capitol address: 75 Constitution Avenue				
R	6-2159	Limmer, Warren	127 SOB	33	State Office Building address: 100 Constitution Avenue				
DFL	6-0293	Lourey, Becky	G-9 Cap.	8	St. Paul, MN 55155				

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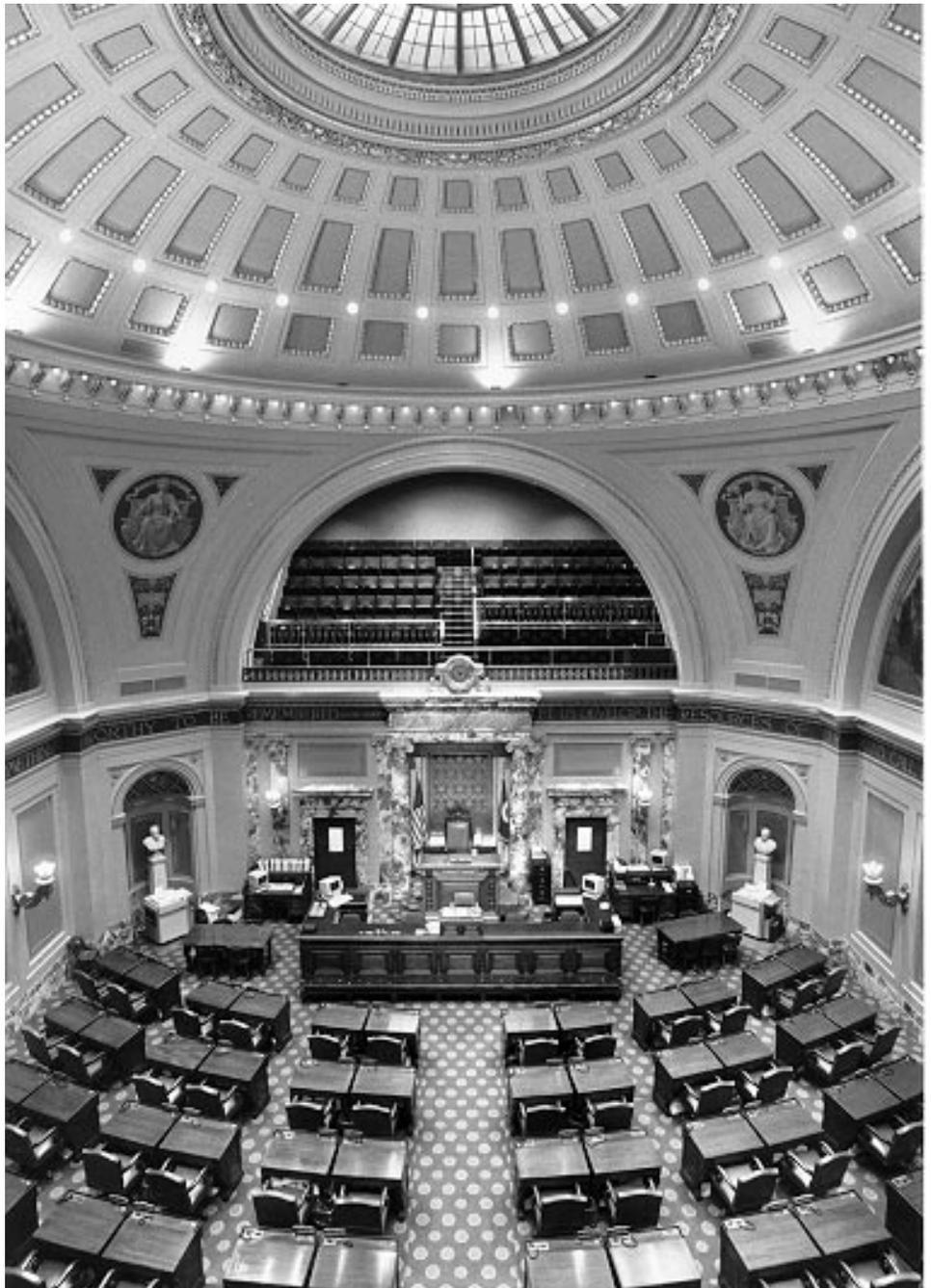


Photo by David J. Oakes.

February 6, 1998

Senate Highlights

Media shield law debated

During an hour long floor session Mon., Feb. 2, the Senate passed one bill on the Consent Calendar, discussed another on General Orders, adopted a resolution, received committee reports and introduced bills for committee action.

The bulk of the session was spent on General Orders discussing S.F. 1480, authored by Sen. Richard Cohen (DFL-St. Paul). Cohen said that the bill is an amendment to the Minnesota Free Flow of Information Law and is needed because the Supreme Court and the Appellate Courts have misinterpreted the intent of the law from when it was originally passed in 1973. Under the bill, Cohen said, unpublished information is still protected. He added that when the prosecution in a criminal case seeks information from a media source, it must be specific and can't be a broad request.

Sen. Sheila Kiscaden (R-Rochester) moved to delete the word "specific" from the description of information sought by the prosecution. Kiscaden said that over time the courts will interpret the provision as requiring increased precision in wording a request for information, which

will lead to disputes about the precision with which information has to be requested. She said that is not the intent of the bill.

Cohen opposed the amendment and said that the need for precision is exactly why the word "specific" is in the provision so that the prosecution will have to delineate to the court exactly why it needs the information.

Sen. Tom Neuville (R-Northfield) supported the Kiscaden amendment and said that by omitting the specificity requirement, the court is given the authority to define and limit the prosecution's request. Neuville said the prosecution may not know what they're looking for until they see it. He said that with the amendment, the door is opened for the prosecution, but it is left to the discretion of the judge to set boundaries.

Cohen countered by saying that the prosecution will know what they want and leaving "specific" in the bill "prevents a fishing expedition" by the prosecution. Cohen's point was supported by Sen. John Hottinger (DFL-Mankato). Hottinger said that leaving the requirement in the bill protects First Amendment rights and "won't make the media

an investigative arm of the government." The amendment failed on a voice vote.

On the bill, Sen. Steve Kelley (DFL-Hopkins) asked if a media camera was rolling at a crime scene, but the footage was not broadcast, is the footage protected under the bill? Cohen answered that the prosecution would have to prove that the particular information captured on the videotape is relevant to the crime. Kelley stated that there is a difference between the Cohen bill and the 1973 law in that S.F. 1480 puts up more hurdles for law enforcement. If the media has information relevant to a crime that doesn't reveal the source, Kelley asked, why make it more difficult for law enforcement agencies to obtain it?

Cohen countered by saying that there is no difference between his bill and the 1973 law and said that the prosecution still has the ability to obtain the information. He said that the bill just puts the burden of proof on the prosecution and not the media.

Neuville offered an amendment granting the same access to media material in civil cases. Cohen argued against the amendment, saying that civil courts already have the authority to deal with the issue. Sen. Jane Ranum (DFL-Mpls.) also spoke against the amendment, saying that she is unsure if there is any uniformity from state to state in media protection in civil cases, and the amendment should be laid over to investigate the matter further. The amendment failed on a 16-45 roll call vote, but the bill was recommended to pass.

In other action, the Senate passed a bill on the Consent Calendar. The bill, S.F. 2379, authored by Sen. James Metzen (DFL-South St. Paul), changes the formula for distributing combination aid when two or more municipalities annex parts of the same township. Under the bill, the aid is distributed to each municipality in proportion to the population of the area being annexed by that municipality. The bill passed 63-0.

The Senate also adopted Senate Resolution 80 which appoints a committee to escort the governor into the other chamber for the State of the State Address. The appointed Senators are Linda Scheid (DFL-Brooklyn Park), David Ten Eyck (DFL-East Gull Lake), Charles Wiger (DFL-North St. Paul), Kenric Scheevel (R-Preston), and Martha Robertson (R-Minnetonka).

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Carlson gives state of the state

Senators met in joint convention with members of the House of Representatives, Weds., Feb. 4, in order to hear Gov. Arne Carlson's final state of the state address. The governor emphasized the state's strong financial health and outlined his proposals for the session. Highlights of his proposals include a 20 percent rebate of 1998 property taxes, reductions for commercial-industrial and apartment property taxes, the creation of three residential academies for at-risk children, increased funding for the prevention of fetal alcohol syndrome, remodeling and construction programs for the University of Minnesota and Minnesota State Colleges and Universities, more funding for affordable housing and the creation of a veterans memorial park in Duluth built around the World War II era heavy cruiser, the USS Des Moines.

Fishing bills passed

The Senate met for a brief floor session Thur., Feb. 5, and passed two bills.

The first, S.F. 2111, authored by Sen. Don Samuelson (DFL-Brainerd), was designated a Special Order. Samuelson said it extends the time limit allowing fish houses to be on lakes by changing it from a Sunday to a Monday. Samuelson said that because of the mild winter, business has been down for resort operators and the bill gives them one more full weekend of business. The bill passed 49-0.

The Senate also passed another bill extending the 1998 angling season. The bill, S.F. 2444, authored by Sen. Dan Stevens (R-Mora), passed 49-0 on the Consent Calendar.

Seat belt bill approved

The Transportation Committee, chaired by Sen. Carol Flynn (DFL-Mpls.), approved three bills Thurs., Jan. 29. The bills modify the seat belt law, allow non-profit organizations to sell or lease vehicles without a dealer's license, and require medical emergency vehicles to both display their red lights and sound their sirens when responding to an emergency.

S.F. 2187, authored by Sen. Leo Foley (DFL-Anoka), allows a peace officer to cite a driver or passenger for a seat belt violation as a primary offense. Under current law, an officer may cite a driver

or passenger for a seat belt violation only when the driver has already been stopped for a separate moving violation.

The bill also changes the penalty guidelines for seat belt violations. Currently, the fine is \$25, but S.F. 2187 sets the minimum fine at \$25 and the maximum fine at \$200.

Finally, the bill lifts the current prohibition against recording seat belt violations on a person's driving record at the Dept. of Public Safety. Foley said that as a result of the bill, a judge will know when there is a record of repeated seat belt offenses and can then decide to assess a penalty of up to \$200.

Foley said, "The major players in traffic safety in this state are asking for this to be a primary offense."

Sen. Keith Langseth (DFL-Glyndon) said, "The biggest opposition (to seat belt legislation) always comes from rural people. But statistics show most accidents occur on rural roads, so I'm going to keep supporting it."

Sen. Dave Johnson (DFL-Bloomington) said he will not support the bill because he believes it will lead police officers to "pull people over at will." "Is there any concern that this bill will give police officers carte-blanche to pull people over on a seat-belt violation as an excuse to do vehicle searches?" he asked Foley.

Foley responded, "I don't think that's a reality. If officers see a seat belt violation, then they should take action."

Sen. Dick Day (R-Owatonna) said he also opposes the bill, on the grounds that seat belt laws are an unnecessary governmental intrusion into a matter of personal choice. "I resent someone telling me I have to buckle up when I'm driving down the highway," he said.

In support of the bill, Flynn pointed to data provided by the Minnesota Safety Belt Coalition that shows 50 deaths and 1,200 injuries can be prevented each year by making seat belt violations a primary offense. Sen. Sandra Pappas (DFL-St. Paul) added that, in states where a seat belt violation is a primary offense, the data show compliance has increased by 15 percent.

S.F. 2187 was approved and sent to the Senate floor for consideration.

The panel next heard testimony on S.F. 2163, a bill authored by Sen. David Knutson (R-Burnsville), which exempts non-profit organizations involved in

isolated or occasional sales or leases of vehicles from applying for a dealer's license.

Testimony in support of the bill was given by Phil Peterson, the president of CARS, a community service program in the Minneapolis Phillips neighborhood. He said the program's purpose is to solicit donated cars, repair them to reliable condition, and give them away to welfare recipients and low-income people. Their goal is to give away 100 cars each year, he said.

Scott Lambert of the Minnesota Automobiler's Association said the association is "a little nervous" about the bill but does not oppose it because CARS has a "laudable goal."

S.F. 2163 was approved and referred to the Senate floor.

Sen. Dallas Sams (DFL-Staples) sponsored S.F. 2028, a bill requiring all medical emergency vehicles to both sound an audible signal by siren and display at least one lighted red light to the front. The bills amends legislation passed last year that required medical emergency vehicles to use their siren and/or lights during a medical emergency.

In support of the bill, O. J. Doyle of the Minnesota Ambulances Association, cited a study that shows it is extremely dangerous when medical emergency vehicles use only their lights when driving above the speed limit.

S.F. 2028 was approved and referred to the Senate floor.

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Committee update

Agriculture and Rural Development

Feedlot overview

The Agriculture and Rural Development Committee met Thurs., Jan. 29, to listen to an overview about initiatives and research about feedlots in Minnesota. The committee is chaired by Dallas Sams (DFL-Staples).

Dave Nelson, of the Minnesota Pollution Control Agency, said 700 to 800 feedlot permits are issued in the state each year. "We are working with producers to protect the environment," he said. Nelson said currently the average wait to have a feedlot permit reviewed by the agency is 30 days. "We will sacrifice quantity of permits issued, to maintain quality," he said.

Nelson said the agency has added more staff, but is still disappointed with the amount of monitoring it has been able to do. "We have 22 state employees working on feedlots, up from only five in 1991," Nelson said. He added that Minnesota has the largest number of combined state and county employees working on the issue in the country.

Nelson pointed to programs being organized on the county level as the best way to institute enforcement of regulations. "Counties can help us out because they are in a better position to inspect sites," he said.

Sams asked Nelson for facts about problems farmers are having with manure lagoons leaking. "We have confidence in the standards in place and feel that the public is protected," Nelson said. He said there are 12 sites around the entire state where documented leakage has occurred. "The levels are that which you would see from a corn field," Nelson said. "Protecting the ground water is important, so much of our concern is about old lagoons that were put in years ago."

Sen. Dean Johnson (R-Willmar) asked if the state has found any feedlots that have contaminated ground water. Nelson recalled one site in Preston where a sewage lagoon was constructed on bedrock, and it was found that the contaminants were leaking into the ground water. "We do not have a complete list of sites in the state where the ground water has been contaminated," he added.

Dr. Larry Jacobson, professor of biosystems and agricultural engineering at the University of Minnesota, said in the past few years researchers have made significant advances in controlling land application odor, manure storage, and manure treatment. Jacobson presented the committee with a detailed breakdown of 29 research projects currently being conducted at the university to solve odor and manure issues.

Feedlot testimony continues

The Agriculture and Rural Development Committee met Tues., Feb. 3, to hear more testimony on the issue of livestock feedlots in Minnesota. The committee is chaired by Sen. Dallas Sams (DFL-Staples).

Before resuming testimony on the feedlot issue the committee took action on one bill authored by Sen. Dennis Frederickson (R-New Ulm). S.F. 2414 rewrites the agricultural marketing and bargaining act based on recommendations from the Agricultural Marketing and Bargaining Task Force created in 1997. Frederickson said the changes provide a new procedure for negotiating disputes between producers and handlers of agricultural products in Minnesota. He added that the bill provides for mediation and arbitration when disputes cannot be resolved through two informal exchange meetings. The bill was re-referred to the Senate Judiciary Committee by voice vote.

On the feedlot issue, Kevin Paap, of the Minnesota Farm Bureau Federation, stated his strong opposition to a moratorium on feedlots in the state. "We are hearing terms like density caps or animal unit concentrations, but no matter what you call it the Farm Bureau is opposed to limits being placed on a farm's size," Paap said.

Paap said the bureau supports the concept of a Generic Environmental Impact Survey (GEIS) as a way to look at the big picture. "The process would gather information, look at the facts, and take some of the emotion out of the issue," Paap said. He added that the bureau is concerned about how the process would be structured, the amount of time it would take to complete, and if there will be adequate funding for the project.

Paap said farmers are measured by their poorest example. "There have been

limited instances where feedlot operations have had some problems," he said. "Problems are with older facilities that are out of date." Paap said any legislation limiting farm size would create a rural crisis.

The committee also received a letter from Minnesota Attorney General Hubert H. Humphrey III. The letter restated his call for a moratorium on giving permits to the largest livestock feedlots in Minnesota while an environmental study is being conducted. Humphrey said the state needs to slow the rate of expansion while a GEIS examines the environmental and economic impacts of these giant feedlots on the land, water and economy. He added that under his plan farmers may start new operations or expand up to 750 animal units, or about 1875 sows, 750 beef steers, or 500 dairy cattle. "Massive feedlot expansion beyond these limits, however, would not be allowed until the environmental study is completed," Humphrey said.

Linda King, a Pine Island farmer, told committee members that she was raised on a farm in Rochester and has four sons she hopes will be able to continue the family tradition of working in agriculture. "Minnesota is the nations leader in strong, reasonable, progressive, sound, scientific based agricultural practices and we should keep it that way," King said.

She said farming, agriculture and related fields are the highest collective tax paying group in Minnesota. "This is not the time for a moratorium because we need to compete in global markets," King said. She said she supported the concept of the GEIS, but it depends on how the study is conducted.

Duane Bakke, of the Minnesota Pork Producers Association, said his group supports a certification program for all feedlot operations with more than 50 animal units and that requires an individual from each feedlot to be properly trained to manage and apply manure. "We envision this to be similar to the private pesticide licensure program that farmers already have," Bakke said. He added the association supports a properly designed inspection program by the appropriate agency which can verify that the producer is in compliance with current feedlot regulations.

Bakke said the Minnesota Pork Producers Association recently voted

unanimously to oppose any moratorium, on a state wide or local basis, that restricts feedlot practices. "We encourage feedlot review on an individual basis," He added.

Bakke said his association favors the GEIS study and the enforcement of "bad actor legislation" to prohibit feedlot operators from obtaining permits and operating in the state if they have, on more than one occasion, either admitted to a violation or have been convicted of one or more criminal statutes.

Sams said that the feedlot issue seems to be focusing not on large versus small operations, but on old verses new feedlots. He added that there seems to be little or no support from farmers and farm related groups for a moratorium.

Commerce

Consumer advocacy bill okayed

The Commerce Committee heard testimony on S.F. 2146, a bill dealing with the creation of a health care consumer advocacy office, Thurs. Jan. 29. S.F. 1814 modifies provisions dealing with several professional boards and was re-referred to the Judiciary Committee.

The bill, authored by Steven Morse (DFL-Dakota), deals with the creation of a centralized consumer health care office—a "one stop shop"—to provide consumers with information and guidance on insurance coverage, explain the appeals process, and generally act as a patient advocate. The bill had been approved earlier by the Health and Family Services Committee and re-referred to the Commerce Committee.

Phil Griffin, Minnesota Council of Health Plans, said his organization supports the creation of the consumer advocacy office in order to satisfy a longstanding consumer demand for help in dealing with a host of health care issues. Griffin, Maureen O'Connell, Legal Services Advocacy Project, and Susan Stout, Minnesota Nurses Association, fielded questions from several Senators regarding the duties of the office and possible overlap with other state agencies. Bev Turner, Minnesota Insurance Federation, said her organization supports the bill and requests that funding for the bill be spread equitably across the board through general revenue funding. Morse said a fiscal note will be completed before the bill moves a

finance committee but estimated the annual costs at \$700,000.

Sen. Linda Runbeck (R-Circle Pines) said the creation of the office would be "one step closer to socialized medicine" by taking decision making away from the patient and doctor and placing it with state agencies. She said Legislators had "a long way to go" before they understood the possible legal and social ramifications of the bill. Runbeck offered an amendment to the bill delaying the effective date one year. The amendment was defeated. A representative from Citizens for Choice in Health also opposed the bill.

The committee advanced the bill and re-referred it to the Governmental Operations and Veterans Committee.

Linda Scheid (DFL-Brooklyn Park) then presented S.F. 1814, a bill that modifies provisions of the Board of Architecture, Engineering, Land Surveyors, Landscape Architects, Geoscientists, and Interior Design. Jim Malloy, chair of the Licensing Board, spoke in favor of the bill and called it a "housekeeping" bill that cleans up awkward wording in existing statues. Gordan Fleming, Minnesota Dept. of Transportation, said his department opposed a section of the bill regarding retention of original ownership by professional licensees. He said original plans for public projects should remain with public owner. The bill was approved and re-referred to the Judiciary Committee.

Three bills advance

Three bills advanced in their movement through the Minnesota Senate after being heard in the Tues., Feb. 3, meeting of the Commerce Committee.

First on the agenda was a bill authored by Sen. Dan Stevens (R-Mora), S.F. 2402, prohibiting the possession or destruction of a new type of merchandise pallet. Committee Chair Sam Solon (DFL-Duluth) remarked that he worked on the Duluth docks when he was young, and that damaged wooden pallets were burnt in a bonfire. He asked Stevens what was different about the new pallets. Stevens said that the new pallets are made of plastic and are designed for a ten year life span. When the pallets are no longer usable, Stevens said, they can be ground up and recycled into new pallets, thus creating a closed-loop system. According to Stevens, the plastic pallets

are more expensive and require a substantial investment. Under the bill, Stevens said, the pallets must display the name of the owner and a notice that unauthorized possession is illegal.

Sen. Linda Scheid (DFL-Brooklyn Park) offered, and the committee adopted, an amendment removing criminal penalties for unauthorized possession and clarifying who is authorized to possess the pallets. Stevens added that the measure "is a good commerce bill and a good environmental bill." The bill now goes to the Senate floor.

Later, the committee considered S.F. 2608, sponsored by Sen. Deanna Wiener (DFL-Eagan). Wiener said that the bill raises the maximum lifetime benefit limit for Minnesota Comprehensive Health Association (MCHA) plan enrollees from \$1.5 million to \$2 million. Lynn Gruber of MCHA said that the benefit increase is consistent with limits set by private insurers. Wiener offered an amendment adding diabetic management and treatment supplies to coverage required under any basic Medicare supplemental plan. The amendment was adopted and the bill was sent to the Senate floor.

Finally, the committee considered S.F. 2014, carried by Sen. Edward Oliver (R-Deephaven). Oliver said the bill is largely a housekeeping bill for the Board of Accountancy, but contains a few substantive changes. One substantive change, Oliver highlighted, authorizes the board to take disciplinary action against anyone unlicensed to prepare tax returns. The committee endorsed the bill and forwarded it to the Governmental Operations and Veterans Committee.

Crime Prevention

Penalty increase okayed

A bill enhancing penalties for crimes committed for the benefit of a gang won the endorsement of the Crime Prevention Committee at a hearing Fri., Jan. 30. S.F. 2097, authored by Sen. Randy Kelly (DFL-St. Paul), also adds witness tampering to the list of crimes subject to a mandatory minimum sentence if the crime is committed with a dangerous weapon or a firearm. The bill increases penalties for crimes committed for the benefit of a gang according to the

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severity of the underlying crime. If the underlying crime is a felony, the maximum penalty is increased from three to five years, if the crime is a gross misdemeanor the penalty is increased from a year and a day to three years and the fine is increased from \$5,000 to \$15,000.

Speaking for the bill, David Steinkamp, Attorney General's Office and member of the Gang Strike Force, said, "Witness tampering is the classic gang crime and makes it harder to prosecute members of gangs by intimidating witnesses."

A third portion of the bill appropriates funds to the commissioner of public safety for law enforcement witness and victim protection grants. The committee, chaired by Sen. Allan Spear (DFL-Mpls.), separated the appropriations portion out of the bill and referred that portion to the Crime Prevention and Judiciary Budget Division. The penalty enhancement portions of the bill were approved and sent to the full Senate.

Members then began consideration of a bill requiring cities of the first class (Minneapolis, St. Paul and Duluth) to collect and maintain information of the occurrence and disposition of crimes within their jurisdictions. The bill, S.F. 2095, authored by Sen. Jane Ranum (DFL-Mpls.), further requires that the information gathered be stratified by neighborhood and requires the cities to track individual cases proceeding through the criminal justice system. Ranum said that the number of non-felony crimes is increasing but that the number of arrests are going down. The bill is an attempt to track what is happening in the community, she said.

Eric Lee, of the Center for Court Innovation in New York, spoke, via conference call, on the concept of Community Courts. He said that information gathering was crucial for the efficient functioning of community courts because it is used to determine if resources are equitably distributed. Lee said the information is also used to aid in evaluating what is working and to help maintain a higher standard of accountability. Judge Dan Mabley, Hennepin County District Court, also spoke on behalf of the bill and said that the county is contemplating initiating a similar Community Court concept and that the information would be vital in the implementation.

Minneapolis Councilmember Kathy Thurber also spoke to the committee. She said that sharing information across jurisdictions is a laudable goal but she said that she was concerned that the bill does not take into account on-going efforts already in place and that she was afraid costs associated with the bill will get in the way of current efforts.

Spear and Ranum agreed that more discussion on the measure was needed so no final action was taken on the bill.

DWI intervention okayed

Members of the Crime Prevention Committee devoted the lion's share of the Mon., Feb. 2, meeting to debating a bill that allows courts to sentence enhanced gross misdemeanor DWI offenders to an intensive supervision program. S.F. 2252, authored by Sen. Deanna Wiener (DFL-Eagan), authorizes sentences to programs of intensive supervision for drivers with multiple DWI offenses, rather than incarceration. Wiener said that current law enacted last year, specifying jail time, conflicts with pilot programs that use intensive supervision to keep DWI offenders from re-offending. She said that the bill allows courts more flexibility in determining appropriate sentences for enhanced gross misdemeanor DWI offenders.

Dakota County Director of Corrections Mark Carey cited statistics indicating that the Dakota County program of intensive supervision has a better chance of preventing recidivism than incarceration. According to Carey, the program is very difficult and disruptive for the offenders and many choose not to participate. The rate of re-offending for those who complete the program is about 11 percent, Carey said, while about 40 percent who are sentenced to a period of incarceration wind up re-offending. Carey also indicated that 20 percent of those who drop out of the intensive supervision program end up re-offending.

Sen. Leo Foley (DFL-Anoka) said that the law requiring jail time for offenders has only been in effect since the beginning of the year and that it is too soon to change the law and allow exceptions. Sen. Randy Kelly (DFL-St. Paul) also said that the current law was designed to get multiple DWI offenders off the highway and protect innocent citizens. Kelly offered an amendment to allow courts to sentence offenders to an intensive

supervision program but requiring an additional sentence for a period of incarceration. The amendment was adopted. The committee approved the bill and forwarded it on to the full Senate.

In other action, the committee, chaired by Sen. Allan Spear (DFL-Mpls.), approved two additional bills and re-referred the measures to the Judiciary Committee. S.F. 2317, authored by Sen. Linda Higgins (DFL-Mpls.), clarifies responsibility for compensating innocent third parties whose property is damaged by law enforcement officers. Higgins said that the bill is aimed at clarifying the process for paying compensation when multiple law enforcement agencies are involved in executing a search warrant or apprehending a criminal suspect. Under the bill, the government unit employing the peace officer who sought issuance of the warrant or initiated the apprehension is responsible for paying the compensation. The measure also establishes a fund and sets up a process for the state to pay compensation when local governments are unable to do so. A provision setting up a procedure for using the legislative claims process for compensation was deleted from the bill.

S.F. 2103, sponsored by Sen. Steven Novak (DFL-New Brighton), makes several changes in laws relating to arson investigation and penalties. The measure sets up a computerized arson investigative data system to assist in the investigation and prosecution of arson cases and sets the penalties for fourth and fifth degree arson. Novak said the bill is the result of a task force appointed by the attorney general in 1995. The task force was comprised of professionals in the field of arson control, investigation and prosecution and representatives from the insurance industry. Many of the task force's recommendations were enacted into law last year and the recommendations contained in the bill represented further deliberations of the task force.

Bail denial bill debated

A debate on the right of defendants to bail and pretrial release dominated the Weds., Feb. 4, meeting of the Crime Prevention Committee. Members, chaired by Sen. Allan Spear (DFL-Mpls.), were debating a bill proposing an amendment to the constitution to permit courts to deny a defendant's release on

bail when necessary to protect the safety of the public. The measure, S.F. 1960, sponsored by Sen. Thomas Neuville (R-Northfield) sparked a thoughtful staking out of philosophical positions.

Neuville said that a case in Faribault in which an individual was released on bail, even though law enforcement authorities thought the individual posed a danger to himself and others, prompted the bill. Neuville said that Minnesota's Constitution guarantees the right to bail, but 25 states, the District of Columbia and the federal government have all initiated pre-trial detention. "Research has led me to conclude, now is the time to amend our constitution," Neuville said. The bill places the question on the ballot at the next general election. If the question is approved, Neuville said, the second portion of the bill implements the provisions relating to pre-trial detention.

Under the bill, the courts are permitted to deny a defendant's release on bail when necessary to protect the safety of any individual or the public. The measure also provides procedures governing pre-trial and post-conviction release and detention decisions. In addition, the bill provides for appellate review of release and detention orders and imposes penalties for failure to appear in court as required and for committing a crime while on release.

Mark Wernick, an attorney, and John Stuart, the state public defender, both spoke against the bill. Wernick argued that the bill is unnecessary. He said that the right to bail does not mean the right to affordable bail and that a judge may set the bill at a high enough level to ensure that the person does not become a flight risk. Wernick also argued that preventative detention might not be the most effective method of preventing crime, certainly not at the expense of constitutional rights. He said that speedy trials and pre-trial services programs could prove more effective. Stuart said that changing the constitution should only be done on the basis of thorough study. He also said that implementation of the bill with another hearing procedure also placed an undue burden on the courts.

Several committee members also said that amending the constitution was not a task to be taken lightly. Sen. Ellen Anderson (DFL-St. Paul) said that the courts already have tools at their disposal

to detain defendants and that amending the constitution is a drastic step. "Changing perceptions of public safety is not reason enough to change the constitution," Anderson said. Anderson offered an amendment requiring a study of the issue of pretrial release. The amendment spells out the factors that must be taken into consideration and requires a report to the Legislature by Jan. 15, 1999. The amendment was adopted and the bill was referred to the Crime Prevention Judiciary Budget Division.

Crime Prevention and Judiciary Budget Division

Camp Ripley program discussed

Members of the Crime Prevention and Judiciary Budget Division held an evening hearing Thurs., Jan. 29, to review the pilot work program for adult male nonviolent felony and gross misdemeanor offenders at Camp Ripley. The division, chaired by Sen. Randy Kelly (DFL-St. Paul), heard from representatives of both the Dept. of Corrections and Camp Ripley.

The pilot program was established in the 1997 omnibus crime prevention budget bill and specifies that the offenders placed in the program must perform physical labor for at least eight hours a day and attend basic educational programs in the evening. Members wanted to hear an update on the progress of the program.

Budget requests heard

The Crime Prevention and Judiciary Budget Division held a lengthy evening meeting Weds., Feb. 4, to review supplementary budget requests and to hear three bills. Members, chaired by Sen. Randy Kelly (DFL-St. Paul), also heard a review of the Dept. of Human Rights certificate of compliance for affirmative action plans program. Under current law, in order to enter into contracts of \$100,000 or more with the state, businesses with 40 or more employees must have an affirmative action certificate of compliance. The commissioner of the Dept. of Human Rights approves the plans and issues the certificate. Last year, the Legislature changed the thresholds. Prior to Aug. 1, 1997, the thresholds for a certificate were contracts of \$50,000 or more and 20 employees. The department

has determined that the pool of potential businesses dropped by 48 percent, but that the number of employees in the potential pool dropped by only 8 percent. Kelly said that it was his understanding that the actions taken by the Legislature last year may have taken about 87 percent of companies out of compliance. Representatives of the department and of the St. Paul Dept. of Human Rights, the Minneapolis Dept. of Human Rights, the Council on Asian Pacific Minnesotans, the Council on Black Minnesotans and the Council on Chicano-Latino People also spoke before the division and expressed concern about the new thresholds.

In addition, the division heard supplemental budget requests from the Peace Officers Standards and Training Board, the Dept. of Public Safety, the Dept. of Corrections, the Corrections Ombudsman and the Courts.

Members also reviewed three bills with funding proposals. S.F. 2012, authored by Sen. Allan Spear (DFL-Mpls.), appropriates funds for increased grants to counties for probation caseload reduction. S.F. 2833, sponsored by Kelly, appropriates \$400,000 for Weed and Seed grants to aid in crime prevention activities. S.F. 2086, authored by Sen. Linda Berglin (DFL-Mpls.), appropriates funds for grants to organizations or local units of government that provide support services to individuals leaving systems of prostitution. No formal action was on the bills.

Election Laws

Unicameral system bill fails

The Election Laws Committee resumed its discussion of the unicameral Legislature bill, S.F. 59, at its Mon., Feb. 2, meeting. However, the bill, authored by Committee Chair John Marty (DFL-Roseville), failed to gain enough support to move out of the committee.

In his opening statement, Marty said that it is important that there be thoughtful obstacles to the passage of legislation, but many times the Legislature does an end-run around those obstacles. Marty cited the common practice of special ordering all bills on a chamber floor near the end of session rather than going through the General Orders process and then placing the bill on the Calendar. Marty said that the Legislature should be more concerned

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about those kinds of end-runs rather than the removal of one body from the Legislature. Marty reiterated a point made previously that in a conference committee, a small number of Legislators decide what's in or out of a bill, but the rest of the members can only vote the bill up or down.

Sen. Dave Kleis (R-St. Cloud), co-author of the bill, said that a unicameral system is the only way to reduce the size of the Legislature without increasing the size of the districts.

Sen. Linda Scheid (DFL-Brooklyn Park) said that she was concerned the measure could make being a Legislator truly a full time job. Otherwise, she said, it will put more work on the Legislative staff and questioned whether that was good. Marty responded that constituent work will be cut in half because the districts of the single body will be half the size of current Senate districts. He said that the proposal will also benefit constituents because they will only need to contact one Legislator instead of both on any matter.

Sen. Dean Johnson (R-Willmar) said that he was concerned because after the 2000 census and redistricting, when rural representation is expected to fall to 35 per cent of the Legislature, 65 percent of committee chairs will be held by urban Legislators. Marty responded that that will be the balance regardless if the state has a unicameral or bicameral Legislature. Kleis added that because of the "one person, one vote" requirement, the Legislature will reflect the make up of the state. He added that Legislators in a unicameral Legislature have a greater opportunity to pass legislation because it can't be diluted by another body.

The issue of a Legislator's perspective on legislation was raised by Sen. Roger D. Moe (DFL-Erskine). Moe asked Sen. Cal Larson (R-Fergus Falls), who was first elected to the other body in 1966, if Legislators are more concerned now than they were 30 years ago with statewide issues rather than constituency issues. Moe said that with smaller districts, the greater access that constituents will have to Legislators will make lawmakers react more to local concerns rather than statewide concerns. "Will we ever be statespersons in a situation like that?" he asked.

Larson responded by saying that 30 years ago the Legislature only met every

other year and lawmakers wanted to get the job done as quickly as possible. He said that back then, Legislators didn't have the broad perspective because they weren't educated on the issues. Now, Larson said, lawmakers have better resources available to help make better decisions, and a unicameral system wouldn't make the Legislature beholden to narrow constituencies.

Opposition was also voiced by Sen. Douglas Johnson (DFL-Tower). Johnson said that frequently the media uses the word "powerful" when referring to committee chairs and said that a bicameral system provides some checks and balances against the committee chairs' power. Marty countered by saying that he has seen bills authored by a committee chair killed in the chair's committee with opposing votes coming from members of the chair's caucus.

Marty moved to recommend passage of the bill and send it to the committee on Rules and Administration, but the motion failed. Sen. Dennis Frederickson (R-New Ulm) then moved to send the bill to the Rules and Administration Committee without recommendation, but that motion also failed. Sen. Carol Flynn (DFL-Mpls.) argued against the motion, saying the bill received two days of hearings and sending it out would bog down the Legislative process. Douglas Johnson also opposed the motion. He said that the motion does not reflect the committee's decision on the bill.

In other action, the panel approved S.F. 2302, sponsored by Sen. Kenric Scheevel (R-Preston). Scheevel said that the bill authorizes counties to hold a referendum to change the auditor/treasurer office to an appointed position rather than an elected position. In addition, Scheevel said, the bill reduces the affirmative vote requirement to a simple majority in order for the referendum to pass. Scheevel said that currently, counties individually seek Legislative authorization to change the auditor/treasurer position, but under his bill, the conversion can be done at the local level. The Association of Minnesota Counties supports the bill, and their position is that it is better to authorize the auditor/treasurer conversion on a statewide basis rather than county by county, said Scheevel.

Sen. Mark Ourada (R-Buffalo) said that he thought the effect of the bill would be broader than Scheevel intended. The

committee drafted an amendment to address Ourada's concern which Larson offered and the committee adopted. The committee approved the bill and advanced it to the Senate floor.

The committee also endorsed a bill, S.F. 2430, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), appropriating \$100,000 to the Secretary of State's office to prepare the statewide voter registration system for the redistricting that will occur after the next census. Pogemiller praised the forethought of the Secretary of State's office and said it would cost much more to do it after the new district lines are drawn. The bill now goes to the Governmental Operations Budget Division.

Environment and Natural Resources

Watercraft, state park bills heard

Three bills regulating watercraft transport or usage and one bill changing state park fees were all heard and advanced out of the Environment and Natural Resources Committee Fri., Jan. 30.

S.F. 2170, a bill authored by Committee Chair Bob Lessard (DFL-Int'l. Falls) that exempts watercraft trailers and all-terrain vehicles from the current prohibition on Sunday sales, was quickly discussed, approved, and sent to the floor.

Before moving out of committee, the bill was amended so that licensed sellers of boat or snowmobile trailers don't have to contract or franchise with a manufacturer or distributor of new trailers in order to sell any trailers.

Sen. Linda Higgins (DFL-Mpls.) then presented S.F. 2174, a bill she authored modifying state park permit provisions to allow nonprofit, volunteer groups that work with children to enter state parks one day a year at half-price.

"Most of the kids in my district have probably never even been to a state park," said Higgins. She created the bill to try to remove at least one of the barriers keeping these children from the parks, she said.

After an author's amendment was approved, changing the fee from half-price to free, much discussion took place regarding the bill's possible ramifications on both the paperwork required to comply with the measure, as well as the corresponding financial implications.

The bill was re-referred to the Environ-

ment and Agriculture Budget Division without recommendation.

Committee members then discussed two bills dealing with personal watercraft regulation. S.F. 1169, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), was amended to delete the bill's sole provision regarding motorboats, after Sen. Steven Morse (DFL-Dakota) pointed out that grain traffic on the Upper Mississippi would effectively be shut down. The provision prohibited motorboats from operating at a greater than slow-no wake speed within 150 feet of shoreline.

Remaining provisions of the bill place restrictions on the hours personal watercraft can be used, prohibit riding backwards, extend the slow-no wake speed distance from 100 to 150 feet from shores, docks and swimmers, change various permitting and licensing requirements, and exempt law enforcement and safety personnel from the distance and hours restrictions. The bill was approved and sent to the floor.

Stumpf introduced letters from manufacturers of PWCs, including Arctic Cat, Polaris, and Bombardier, that stated their organizations complied with state noise regulations when producing PWCs, and that they were continually working to reduce PWC sound levels in their machines.

The committee then approved and referred S.F. 374, authored by Sen. Janet Johnson (DFL-North Branch), to the Environment and Agriculture Budget Division. The bill places a \$30 surcharge on personal watercraft to be used for water safety education programming.

DNR board bill debated

"There's a certain sense of urgency with S.F. 2444," Sen. Dan Stevens (R-Mora) told the Environment and Natural Resources Committee Mon., Feb. 2, regarding the bill he authored to extend the 1998 angling and spearing seasons an extra two weeks.

The bill was created to offset the late start to the ice fishing season, said Stevens. The extension applies only to certain fish and will be at the discretion of the commissioner of natural resources. Spearfishing on Northern Minnesota's Cass Lake is excluded from the extension. With little discussion, the committee approved the bill and sent it to the Consent Calendar.

The committee then debated S.F. 2330, also authored by Stevens, that creates a new board of natural resources and transfers to the board many of the powers and duties possessed by the commissioner of the Dept. of Natural Resources (DNR).

Stevens said that he was introducing the bill very reluctantly, as the staff of the DNR do their jobs to the best of their ability. "They should be commended for the fine job that they do. But we do have some problems here," he said.

Numerous witnesses came before the committee to voice their concerns about the department. Committee Chair Bob Lessard (DFL-Int'l. Falls) urged witnesses to keep their comments regarding the DNR contextually relevant and clearly state how a board would function better than the current structure.

Marshall and Beltrami County Commissioners Del Rae Larson and Lee Coe spoke to the committee regarding a dispute over ditch tax payments that their counties currently have with the DNR. They said that as a result of the dispute, it was very difficult to maintain the ditches, and they were not able to come to any kind of a resolution with the DNR. "We have no place to go to complain," said Larson.

"So what you're saying is that the department isn't living up to its obligation, and this bill would give you more input through a board of some sort?" asked Lessard.

"I feel this bill would probably give us a tool for a place to vent our concerns and make sure we're treated right," said Larson. "We have two counties in the state not being paid ditch taxes and I think there's something not quite right with that."

Ron Peterson, an attorney and environmental consultant, said that he has been interacting with the DNR since 1980, and over time has come to feel that "a sufficient need for change outweighs any discomfort that I might feel" with the decision to create a board. "Over my career in the state, I have observed a number of problems with the way things operate in the DNR that I think could be resolved through the involvement of an objective citizen board," he said.

The only way to correct DNR mistakes is to seek expensive litigation, said Peterson, and very few people have the resources to litigate with the DNR.

"Every decision is staunchly defended, and personally I don't believe the merits of those situations are adequately investigated before a defense is set up," he said. A citizen board would provide some badly needed objective oversight, he said.

Sen. Steven Morse (DFL-Dakota) said he thought that it was a little ironic that only a few years ago the committee reversed, in the Pollution Control Agency (PCA), "exactly what this bill does now." He referred to the committee's removal of many PCA board powers and placing them with the PCA commissioner, "because there was no one to be held accountable."

Sen. Gen Olson (R-Minnetrista) said that the main issue seemed to be one of balanced representation. "How do you represent those who have a broad interest in using the resource, and those who in fact own it?" she asked. She said that didn't see how a board full of interest groups would make the agency any more accountable.

Ron Nargang, DNR deputy commissioner, said that the department has a full administrative review process more responsive than any type of board could possibly be. Referring to the unpaid ditch taxes, he said that the law regarding such ditch assessments was clearly stated, and that the counties with assessments in dispute have refused the offer of a partial payment in return for mediation of the dispute.

The committee approved a motion to lay the bill on the table.

Environment and Agriculture Budget Division

Forestry report heard

Representatives of the Minnesota Forest Resources Council (MFRC) presented a progress report on their efforts at a Tues., Feb. 3, meeting of the Environment and Agriculture Budget Division.

Council Chair Paul Ellefson said that the council was formed as a result of the 1995 Minnesota Sustainable Forest Resources Act to implement the recommendations of the generic environmental impact statement development.

Executive Director Mike Kilgore said that the MFRC's comprehensive implementation strategy includes establishing

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timber harvesting guidelines, coordination of landscape planning in forested areas, and support programs such as forest resources research, site monitoring, education and outreach. To be successful, Kilgore said the MFRC must facilitate collaboration among diverse interests, voluntary approaches to management, use of scientifically proven methods, and a willingness to improve. Kilgore said the council consists of thirteen gubernatorial appointees that represent diverse interests related to forests. He said the mission of the council is to develop sustainable forest use guidelines that integrate conservation, logging, environmental, recreational, cultural, historical, and economic interests. Once the integrated guidelines are developed, Kilgore said, the council will begin the process of educating landowners, loggers and forest managers for implementation. After implementation, the council will monitor the results of the integrated guidelines, he said.

Sen. Bob Lessard (DFL-Int'l. Falls) said he was concerned that the guidelines would not take the interests of loggers into account. He said he received a letter from an environmental activist saying that logging has to stop and logging communities need to find other livelihoods. Lessard said that the paper production is the second largest industry in the state and many people employed in the industry are scared they will lose their jobs because of the guidelines. Lessard added that a challenge the council faces is getting people to go along with the guidelines. Ellefson said that a pilot project implementation of the guidelines will be conducted in Northeast Minnesota. Ellefson said that the council wants to know what obstacles exist that deter implementation of the guidelines.

Don Arnosti of the Minnesota Audobon Society said that logging is an important part of the state's industry mix, and the Audobon Society wants to make sure the industry continues in a sustainable manner. Arnosti said the society supports the integrated guidelines, but said the council needs additional staff in order to do their job properly.

Earlier, the division heard S.F. 2056, sponsored by Sen. Charles Wiger (DFL-North St. Paul). Wiger said the bill is a request by the city of Willernie for

\$200,000 to construct 600 feet of thirty-six inch pipe in a streambed to prevent further erosion of the stream's banks. Willernie resident Dorothy Pray told division members that when she first moved into her house more than twenty years ago, the stream was at most a foot and a half wide and was ten feet from her house. Now, she said, the stream is much bigger and has eroded the bank to within five feet of her house. Division Chair Steven Morse (DFL-Dakota) asked Pray if she knew why the stream has increased in size. Pray said it's because of upstream development that diverts rainfall into the stream.

Morse asked if other solutions had been considered. Steve Thatcher, a civil engineer who conducted a feasibility study of the project, said the pipe was the most cost effective and permanent solution. Division members asked if permits from the Dept. of Natural Resources or the Army Corps of Engineers are necessary for the project. Thatcher said the permits are not needed because the stream is not navigable and those two agencies have no jurisdiction over it.

Willernie Mayor Claudette Munson said that because the agencies don't have jurisdiction, they have no money to award for an erosion control project. Morse asked if there was any recourse resulting from the upstream development and if Washington County could afford to pay for the pipe. Munson said "The only contribution from upstream is more water." The division took no immediate action on the bill, but will consider it when assembling the supplemental and capital budget bills.

Budget proposals heard

State agency representatives and members of the Environment and Agriculture Budget Division met to discuss the details of various budgeting initiatives, Weds., Feb. 4.

David Benke, acting supervisor of the Office of Environmental Assistance (OEA), said Minnesota generated almost 4.9 million tons of municipal solid waste in 1996. He said that 40 percent was recycled, 34 percent was managed by resource recovery incineration and composting facilities, and 26 percent was landfilled. He noted that Minnesota sends 8 percent of its waste to landfills in other states.

Currently, he said, there are 136 land-

fills in Minnesota, 25 of which accept municipal solid waste. He also said that Minnesota has spent approximately \$39 million to award over 75 grants to construct and expand 54 projects, which include 21 recycling facilities, 9 transfer stations, 8 waste-to-energy facilities, 7 municipal solid waste compost facilities, 7 special waste stream facilities, and 2 yard waste compost facilities.

Benke said that OEA was requesting \$5 million for FY 98-99 for over a dozen proposed projects around Minnesota. He said that one of the difficulties they had in the past was projects not being able to be finished, and as a result, OEA is proposing a rule change that would look first at funding and developing a project, and then at the construction. "Now it's all done in one shot," he said.

Laurie Martinson, supervisor for the Pollution Control Agency (PCA), continued the presentation from a previous hearing. She detailed PCA administration of the Wastewater Infrastructure Funding (WIF) Program, created by the Legislature to provide supplemental assistance to municipalities applying for funding under the state revolving fund.

Sen. LeRoy Stumpf (DFL-Thief River Falls) said that many small cities had both grant writers and engineers to handle wastewater projects, and he wondered whether there was any way possible to reduce the project costs for the cities. He gave an example of one small city with a \$1 million wastewater project to complete.

The question was answered by Terry Kuhlman, Public Facilities Authority executive director. He said that the Department of Trade and Economic Development (DTED) can only do so much with the limited funding resources they have, but that one area they have made headway on is the application process itself. He said that DTED has created a one-page application for projects like that the one mentioned, to minimize the use of staff time.

Anderson then spoke about funding for point source and non-point source programs. She said that a total of \$624 million had been awarded to date through point source programs. Of that money, she said, \$596 million was spent through the state revolving fund program, and \$28 million through the WIF program. Non-point source funds spent

to date total over \$99 million, she said, roughly \$14 million of which was for individual sewage treatment systems. Almost \$85 million has been used for agricultural and other non-point source programs, said Anderson.

Family and Early Childhood Education Budget Division

Asset-building bill okayed

The Family and Early Childhood Education Budget Division heard testimony, Fri., Jan. 30, on two bills dealing with child care licensure. Sen. Linda Higgins (DFL-Mpls.) presented a bill, S.F. 2413, that launches the Minnesota Family Asset for Independence Initiative. Sen. Pat Piper (DFL-Austin) chaired the meeting.

Higgins said S.F. 2413 provides incentives for low-income families to accrue savings assets for education, housing and economic development. She said the bill is modeled after a bipartisan effort now before Congress. Individuals and households below 200 percent of poverty save earned income for closing costs on a home, attaining higher education, or starting a small business venture, she said. Higgins said the bill provides a 2:1 state and private sector match as well as a federal demonstration grant--matched funds will not be commingled with family savings. Under the bill the Dept. of Children, Families, and Learning is the administering agency, but several private organizations, such as WomenVenture, Inc. and the Wendell Phillips Community Development Federal Credit Union, serve as intermediary brokers, she said.

Denise DeVaan, MN Community Action Association said the initiative provides "not just hand-outs...it helps people up and out of poverty." Bruce Hartert, Southeast Minnesota Community Action Council, said the program allows families to break the vicious cycle of poverty by giving them incentives to work harder, save more, and set financial priorities for the first time. DeVaan said existing home-owner loan programs are too small and overburdened to meet the needs of most poor Minnesotans.

Sen. Arlene Lesewski (R-Marshall) said she questioned the fairness of forcing middle income families, struggling to save money without assistance, to pay for

a program that only gives low income families access to asset-building matching funds. She offered an amendment to raise the income level of qualifying families to \$100,000. The committee defeated Lesewski's amendment. Sen. Roy Terwilliger (R-Edina) said the bill should be more narrowly targeted at the poorest families to avoid creating resentment among middle income families. Sen. Claire Robling (R-Prior Lake) also offered an amendment, which was rejected, to reduce state costs through a 1:1 match. The bill was approved and referred to the Children, Families, and Learning Committee.

S.F. 2145, authored by Becky Lourey (DFL-Kerrick), directs the regional child care resource and referral programs to offer technical assistance to child care providers and appropriates funds for loan forgiveness, child care service grants, and the creation of an employer liaison position in the Dept. of Children, Families and Learning. Nancy Johnson, Child Care Works, Executive Director Pat Gannon, MN Child Care Resource and Referral, and Louis Allemayehu, Multicultural Outreach program, spoke in favor of the bill. The division took no vote on the bill.

Finally, Robling said S.F. 2226 was a technical bill that removes the expiration date of an existing statute to make definitions of family day care age groups permanent. Beth Monk, a child care provider and organizer, said the bill will reduce paperwork for home child care providers and allow more flexibility in placing children in age group slots. The bill was advanced and sent to the full committee.

Child care bills held over

The Family and Early Childhood Education Budget Division, chaired by Sen. Pat Piper (DFL-Austin) held over four bills, Tues., Feb. 3. Piper said the bills will be included in the division's comprehensive omnibus bill.

The committee heard powerful and emotional testimony from Angie Borg in support of S.F. 2235, authored by Sen. Don Samuelson (DFL-Brainerd). Borg lost her two sons, Alex and Brandon Frank, when their father kidnapped and murdered them following an unscheduled visitation. The bill further appropriates money from the general fund to the commissioner of children, families, and

learning (CFL) to establish and fund additional visitation centers in Crow Wing and other counties. Borg asked Senators to fund these centers, which provide a critical resource for families dealing with broken, volatile or abusive relationships, to prevent endangering other children. The bill requires the act to be known as the "Alex and Brandon Frank Family Visitation Center Act."

Sen. Arlene Lesewski (R-Marshall) presented S.F. 2360, a bill she authored that appropriates money for Early Childhood and Family Education (ECFE) programs. Lesewski said ECFE supplemental budget reserves had been higher than expected. Deborah Bednarz, Dept. of Finance, and Assistant Commissioner Barbara Yates, CFL, then fielded questions from several Senators about the placement of surplus funds in the General Fund. Several members said they were surprised to learn that surplus funds did not go back to the division. Thomas Melcher, Program Finance, CFL, said, "it would be perfectly reasonable to draft legislation that the surplus should go back to underfunded programs."

Finally, Piper said S.F. 2532 is a bill that makes technical corrections to child care assistance programs under the Dept. of Children, Families, and Learning. Cherie Kotilinek, CFL, said the measure was a general "clean-up" bill that added some appropriations to cover administrative costs. S.F. 2145, authored by Sen. Becky Lourey (DFL-Kerrick), directs regional child care resource and referral programs to provide technical assistance to child care providers, had been held over from a previous meeting.

Endowment Fund discussed

The Family and Early Childhood Education Budget Division, chaired by Sen. Pat Piper (DFL-Austin), heard a presentation by Sen. John Hottinger (DFL-Mankato) on a bill that establishes an endowment fund for Minnesota's children, Wed., Feb. 4. Under the bill, S.F. 2775, the question of whether to create a permanent endowment fund to enhance the development of young children will be placed on the ballot in the 1998 general election.

Hottinger said he had already received queries from parties in the private sector interested in contributing funds to the endowment. He said he believes the endowment is necessary to "take the good

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times we've had in the state and invest in future good times for Minnesota's children." Hottinger said potential funding sources are projected surplus revenues, proceeds from the tobacco lawsuit, and a temporary tobacco tax increase. He said endowment funds will be used to conduct research into brain development in young children, develop and improve community-based activities, and provide supplemental funding for projects with demonstrated successes.

Jim Koppel, Children's Defense Fund, listed data and research on the benefits to the community of early intervention. He said he hopes the initiative would spark discussion throughout the state about early childhood development and predicts the debate will drive political platforms in the general election this year.

Glenn Dorfman, Minnesota Association of Realtors, said his organization will lead the effort to secure corporate dollars to seed Hottinger's initiative. Sen. Leo Foley (DFL-Anoka) said Hottinger should add tax deductibility language as an added incentive to private contributors.

Piper praised the initiative and said she hoped it would receive media coverage in future hearings. The committee approved the measure and referred it to the Children, Families, and Learning Committee.

The next three bills under discussion were held over for inclusion in the division's omnibus bill. S.F. 2842, authored by Piper, provides a one-time \$250,000 appropriation to be used for lead clean-up and abatement services in high-risk areas. Foley's bill, S.F. 2240, provides emergency assistance and transitional housing for low-income families. S.F. 2698, authored by Sen. Steven Novak (DFL- New Brighton), is a bill that provides a fund to allow state agencies to purchase propane and fuel oil in the summer when prices are low.

Governmental Operations and Veterans Committee

Spotlight on youth sports

The Government Operations and Veterans Committee and the Government Operations Budget Division met jointly, Thurs., Jan. 29 to hear a presentation by the Minnesota Amateur Sports Commis-

sion for their FY 99 budget request.

Sen. James Metzen (DFL-South St. Paul) and Sen. Leonard Price (DFL-Woodbury) chaired the hearing.

MASC Executive Director, Paul Erickson spoke about three programs in particular that the agency will fund. He said the "Mighty Kids" National Youth Golf Center will be built on 80 acres of land in Blaine. "We want to keep kids involved and out of trouble," he said, "We want to get kids involved in golf which has long been considered an elitist sport."

Erickson said the Professional Golf Association is designing the course for free, with kids in mind, adjacent to the National Sports Center in Blaine. Erickson said that much of the land for the facility will be purchased at a minimum cost from the Metropolitan Airports Commission.

Erickson added that construction of the 27-hole championship course will take place in 1998 and 1999 pending approval of the 1998 capital budget request of \$9.6 million.

Erickson said the agency is asking for \$1 million for the Minnesota State Colleges and Universities Board to expand college hockey opportunities for women in Minnesota. "Currently the only college program in the state is at the University of Minnesota and young women who want to continue playing hockey in college have to leave the state," he said.

Erickson also presented a plan for the Central Minnesota Events Center, in St. Cloud. The event center will seat as many as 18,000 people with 5,100 permanent seats, Erickson said. He added that the facility will include a 140,000 square foot playing field/exhibit floor that will be used for football, soccer, tennis, volleyball, and basketball games as well as conventions and concerts.

Tom Duffy, chairman of MASC, said the events center will be the biggest symbol of central Minnesota's emergence as a center for business, sports, entertainment, and cultural activities. Duffy said the state portion of the projects cost is \$25 million.

Erickson also provided the committee with a report on the progress of the state's Mighty Ducks Ice Arena Grant Program. He said, since 1995, the MASC has awarded \$15.8 million in grants throughout Minnesota. He said 61 communities received renovation grants totaling \$3.2

million and 51 communities have been awarded \$12.6 in new arena grants. He added that the MASC is requesting \$4.6 million to fund the program this fiscal year.

Procurement bill heard

The Governmental Operations and Veterans Committee, chaired by Sen. James Metzen (DFL-South St. Paul), devoted the entire Tues., Feb. 3, hearing to discussion of a proposal to overhaul the state's procurement system. S.F. 726, authored by Sen. David Knutson (R-Burnsville), contains both substantive changes and a recodification of the statutes relating to procurement. Knutson said, "The purpose of the bill is to simplify, streamline, clarify and modernize state procurement laws in order to obtain high quality goods and services in the most efficient and effective manner." Knutson said the bill allows agencies more flexibility in purchasing and takes advantage of technological advances, such as electronic commerce.

Commissioner Elaine Hansen, Dept. of Administration, spoke on behalf of the bill and said, "Over the years it has become very complicated to obtain goods and services for the state. It is a myth that vendors are lining up to do business with the state because of the complex procedures they must follow." Hansen also said that revamping the procurement system is one of her top priorities.

The bill is a product of work done by representatives of thirteen state agencies over a period of years, Knutson said. The bill also includes two concepts to aid in purchasing, he said, the concept of "best value" and that of business alliances. He said that the "best value" concept allows agencies to consider factors such quality, vendor performance and environmental issues, as well as price in arriving at purchasing decisions. Business alliances, said Knutson, allows for better solutions by using private sector expertise, results in less time and a dramatic reduction of state resources consumed by the repetitive procurement process and provides for a faster response in meeting the needs of customers.

Brenda Thielen Willard, Dept. of Administration, guided members through a section by section summary of the measure. She compared the bill with existing statutes and highlighted addi-

tions and deletions from current law.

Sen. Lawrence Pogemiller (DFL-Mpls.) raised questions about a section of existing law requiring preference for American made materials that is repealed in the bill. Willard said the provision is repealed because it conflicts with the World Trade Agreement. Another section of the bill changes the requirement that businesses within and outside Minnesota have a Human Right's certification to specify that only businesses within Minnesota have the certification. Willard said that the bill makes the change because the provision also conflicts with the World Trade Agreement.

Members began hearing testimony on the measure, but because of time constraints were unable to complete work on the bill.

NATO resolution approved

The Governmental Operations and Veterans Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Wed., Feb 4. Members took action on six bills and a resolution of support for several European countries to join the North Atlantic Treaty Organization (NATO).

S.F. 2055, authored by Lawrence Pogemiller (DFL-Mpls.), informs the United States Congress that Minnesota supports the entry of the Republic of Poland, the Czech Republic and the Republic of Hungary into NATO. Pogemiller said the United States and NATO have a responsibility to support fledgling democracies because stability in the region is vital. S.F. 2055 was recommended to pass and sent to the Senate floor.

S.F. 2520, sponsored by Sen. Carol Flynn (DFL-Mpls.), ratifies actions by the Legislative Coordinating Commission Subcommittee on Employee Relations. Flynn said the actions include approval of several collective bargaining agreements and compensation plans for state employees. The bill was recommended to pass and sent to the Senate floor.

S.F. 2416 adds a new exception to the kinds of revenue that are not credited to the general fund. Sen. Dennis Frederickson (R-New Ulm), author of the bill, said the new provision covers investment income from money that should be credited to the purposes for which the money was received. The bill

was approved and referred to the Judiciary Committee.

S.F. 2315, carried by Sen. Martha Robertson (R-Minnetonka), makes technical changes to Minnesota law by adding the director of the Office of Technology to several state boards.

Robertson said the bill makes the director of the Office of Technology a member of the World Trade Center Board of Directors, the Board of Directors of Minnesota Technology, Inc., and a non-voting member of the Health Data Institute Board of Directors.

She added that the bill adds the director and the commissioner of administration to the Minnesota Education Telecommunications Council. S.F. 2315 was approved and sent to the Senate floor.

S.F. 2429, sponsored by Sen. Deanna Wiener (DFL-Eagan) adds a member to the Legislative Auditor's Local Government Services Advisory Council. Wiener said under the bill a representative of the Minnesota Association of School Administrators will serve on the council. She also said the bill clarifies who is responsible for making council appointments. The bill was recommended to pass and forwarded to the Consent Calendar.

S.F. 2477, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), codifies a reorganization order transferring functions from the Department of Economic Security to the Department of Children, Families, and Learning. The bill was recommended to pass and sent to the Senate floor.

S.F. 2730 makes technical corrections relating to information systems technology, data practices, and certain appropriations oversight for the Department of Administration. Robertson, the bill's author, said the bill also extends the expiration date for the Governor's Residence Council from 1998 to 2001. The bill was approved by a voice vote and recommended to the Senate floor.

Governmental Operations Budget Division

Census 2000

The Governmental Operations Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury) met Tues., Feb. 3, to hear budget requests from the state

demographer, Environmental Quality Board, and State Auditors Office.

State Demographer Tom Gillaspay appeared before the budget division to request an appropriation for census related activities. He said the governor recommends \$15,000 for FY 98 and \$65,000 for FY 99.

Gillaspay said due to recent Congressional action, the Census Bureau's long considered plans to complete the 2000 census using statistical sampling have been altered, leaving the state with unexpected challenges. He said using conventional methods to complete the census will affect large population centers that can be more difficult to count than their rural counterparts. Gillaspay added that the Demographers Office will need to spend more money to promote and market the census and, to provide education and outreach to targeted populations.

Gillaspay said it is important for the census count to be as accurate as possible because an undercount could adversely affect Minnesota's congressional representation. "The state could lose tens of billions of federal dollars that are allocated on the basis of population," Gillaspay also said.

Gillaspay said the census count will begin April 1, 2000 and conclude in October of the same year. He added that the numbers will then be provided to the President of the United States and Congress, as law requires.

Environmental Quality Board Director Mike Sullivan came before the Senators to talk about the Generic Environmental Impact Statement (GIES) for animal feedlots that is proposed in the governor's supplemental budget recommendation.

Sullivan said the study has three parts. First, a formal scoping process will be completed to determine the nature and extent of the GIES. He said the scoping process will take a year and cost \$240,000. He said that scoping is a process that decides what issues will be studied and how those issues will be approached. Second, an extensive synthesis of existing research on feedlots and related issues will be completed at a cost of \$285,000. And third, to expedite the GIES process, the Environmental Quality Board (EQB) will be directed to make a formal intermediate scoping decisions and begin work on a statewide feedlot inventory and assessment.

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Sullivan said the intermediate scoping part of the process will be completed before the end of this fiscal year, at a cost of \$675,000.

"Four years ago we would not have been able to get all sides to agree on what questions need to be answered," Sullivan said. "This is a real opportunity to move our knowledge base forward." Sullivan also said he was not aware of any other states who are doing this. "Minnesota is unique because of our Environmental Impact Statement," he said.

Senators also heard a budget request for \$408,000 to be used by the Office of the State Auditor's Tax Increment Finance Division (TIF) for promoting compliance and accountability in the state TIF districts.

Assistant State Auditor Jennifer Mohlenhoff said prior to 1996 the state exercised little or no oversight over the state's TIF districts. She added that in 1996 the state created the TIF division to provide oversight.

Mohlenhoff said the division is funded by deducting one tenth of one percent from all revenues collected from TIF districts and authorities throughout the state. She said the amount of money provided is not enough to do the job, therefore the governor is proposing that the TIF division be allowed to capture one quarter of one percent to enable proper enforcement under the statute.

Bill Conners, director of the TIF Division, said the deduction rate increase will impose no additional cost on state or local governments. He said that under current law the projected appropriation of \$272,000 will not be sufficient to fund the division's responsibilities. He added that the deduction rate increase will increase revenue by \$408,000 per fiscal year.

Conners said Minnesota currently has 132 TIF authorities and 635 TIF districts.

Attorney General's budget heard

A presentation on the FY 99 budget for the Office of the Attorney General was heard at the Weds., Feb. 4, meeting of the Governmental Operations Budget Division. Chief Deputy Attorney General Lee Sheehy and Law Enforcement Division Director Margaret Chutich described for the panel members the types of work and practices of

the office. The two appeared before the division requesting \$24.4 million to continue the work of the office because the governor vetoed the office's entire FY 99 budget last year.

A supplemental budget recommendation released by the governor's office states that the governor was concerned about rising legal costs in the office's budget, but was willing to recommend a supplemental appropriation of \$22.5 million, an amount halfway between the office's request and the governor's original recommendation. Sheehy said that repeated requests to negotiate the budget with governor have gone unanswered.

In the ensuing discussion, division members agreed that they needed more information from both the attorney general's and the governor's offices. Sen. Martha Robertson (R-Minnetonka) requested the attorney general provide information showing growth in the number of staff positions and budgets of the various divisions of the office since FY 92. Sheehy added that the governor agrees with the staffing level, but won't approve a budget adequate to fund the staff.

Division Chair Leonard Price (DFL-Woodbury) said that the rub is the inordinate increase in staff and the dramatic increase in activity within the office. Price said reconciliation must be reached within the executive branch on the matter. The question immediately before the division is "Does the work of the office warrant their budget request?" asked Price, but added that the next step is to set up an interim study on how to resolve the issue.

Sen. Richard Cohen (DFL-St. Paul) suggested sending a letter to the governor asking what services should be cut so that the office's budget fits within the recommendation. Cohen said that part of the budgetary increase rises from the complex work being done in the office, such as anti-trust litigation. He said that the work in other public legal offices is simpler but pays the same. "There are only so many ways you can try a burglary case in Hennepin County," Cohen said. When asked by Cohen, Sheehy said the average hourly rate earned by staff attorneys is \$79. The division took no action on the request, preferring to wait until they receive more information from both the attorney general's and the governor's offices on the budget issue.

Higher Education Budget Division

MnSCU budget review continues

Chancellor Morris Anderson of the Minnesota State Colleges and Universities (MnSCU) continued the previous week's supplementary budget discussion at the Fri., Jan. 30, meeting of the Higher Education Budget Division.

While much of last week's meeting was spent on the initial presentation of the \$42 million MnSCU supplementary budget, this week Anderson and his staff answered questions on the specific details of each item.

Committee Chair LeRoy Stumpf (DFL-Thief River Falls) began the meeting with a question left over from the previous week, regarding further clarification of the MnSCU request for \$12 million to fund a base equalization drive of the MnSCU schools.

Anderson said that the desired outcome of the base equalization would be the more fair and equitable distribution of state funds to the schools. Presently, he said, you can make a pretty strong case that institutions such as Mankato and St. Cloud are underfunded on a per-student basis when compared to other four-year institutions around the country.

MnSCU representative Linda King said that there were a few possible methods MnSCU could use to smooth out the inequalities of the allocation process. She said the first would be to look at funding per institution on a FYE basis. The other two possibilities, said King, would be either to look at the percent increase in budgets per institution, or simply to target funds toward those institutions with budgets furthest behind the rest.

Surprised that tuition wasn't included as a factor in the allocation determination models created, Stumpf said that he thought tuition would have to be included, in order to offset the costs for some of the higher-priced programs.

King said that they didn't disagree with including tuition, but that they focused their attention on state funding discrepancies first. Anderson then said that there were a number of ways to look at the allocation process. "What we wanted to do was get some sense of where the legislative interest was with this," replied Anderson. He said that the purpose of

the allocation models was to present possible alternatives to the Legislature.

At that point, Sen. Steve Kelley (DFL-Mpls.) then said that he wished the conference committee that dealt with the budget last year had not decided to change the funding formulas.

Before disbanding, the committee also discussed portions of the other MnSCU funding requests, such as an \$8 million requested for faculty and staff development, an \$11 million requested for student initiatives, and an \$11 million requested for business and industry initiatives. Quite often, discussion turned from specific requests to the issues underlying each request, touching on the perennial need to replace outdated equipment, the technical vs. liberal education debate, and how to forecast and plan for the growth and decline of various job sectors.

U of M budget continues

“Academic excellence is driven by top-notch faculty, working with highly-trained support personnel,” said U of M President Mark Yudof, in his supplementary budget presentation before the Higher Education Budget Division, Tues., Feb. 3.

Continuing from the preliminary presentation the week before, Yudof spent much of the early portion of this week’s budget presentation and discussion on what he called “people-centered strategies” to create a strong University.

To achieve academic excellence, he said, you need to recruit faculty and make sure development avenues are open, through competitive compensation, making sure equipment and facility needs are met, and providing an environment that cultivates and values intellectual vitality.

Yudof said that students are drawn by excellent faculty, ranked programs, and state-of-the-art facilities, through a phenomenon he calls a “multiplier effect,” where additions in one area lead to additions in another area, he said.

After the initial presentation, Yudof and his staff provided a detailed breakdown of the \$41.5 million supplementary budget requested by the U of M. Recurring requests include \$9 million to pursue five academic initiatives and \$13 million for faculty and staff support. Onetime appropriations include \$15 million to help improve faculty setup and equipment and \$4.5 million to improve many of the University’s classrooms.

Yudof said that the funds requested both for faculty and staff support and for faculty setup and equipment were needed to retain faculty. “University salaries are driven by a nationally competitive environment,” he said. He told the division that the National Research Council ranks Minnesota 20th among public and private universities in average faculty salaries, at \$74,800 a year. Yudof said that the \$13 million requested for faculty and staff development would help to improve this ranking, by improving the University’s ability to retain the highest-caliber faculty, through merit-based raises tied to performance. In many cases, he said, especially in the scientific fields, the other key to retaining faculty is keeping state-of-the-art equipment and lab space for them to use. The \$15 million requested would help to offset the costs of such lab purchases and maintenance, since the cost to outfit a lab usually ranges from \$400,000 to \$1.2 million, he said.

Sen. Sam Solon (DFL-Duluth) asked Yudof whether he knew of any faculty who had been lured away by other institutions. Yudof deferred to Frank Cerra, senior vice president of the Academic Health Center at the University, who gave the example of a professor whose retention was going to cost \$2 million. They also recruited, at a cost of \$2.5 million, a basic sciences research professor from another institution, said Cerra. He noted that part of the cost included the transfer of four staff along with the professor.

Sen. Cal Larson (R-Fergus Falls) said that he was aware of a number of openings in the extension service ranks, and asked what the University was doing to recruit the necessary personnel. Gerald Miller, associate dean for the College of Agriculture, said that there are several reasons for the vacancies in the outreach branch of the University. Notably, he said, the salary level offered just isn’t high enough to retain them, and as a result, they often lose the staff to employers such as banks and agricultural institutions.

Another reason, said Miller, was the master’s degree requirement instituted a number of years ago, which dropped the eligible pool to choose from. Larson said that he hoped the University of Minnesota would reconsider the education requirement.

HESO budget, roundtable report

Higher Education Budget Division members delved into the issues surrounding state educational aid programs and vocational education Weds., Feb. 4.

“I think the primary policy question before you is whether or not the state grant program is there to provide both access and choice,” said Robert Poch, director of the Higher Education Services Office (HESO). “Or, are we going to concentrate solely on access? It’s a major policy issue,” he said.

Poch detailed the six major HESO proposals outlined in the agency’s 1998 recommendations report to the Legislature. First among the proposals is the recommendation to reinvest \$13.5 million in the State Grant Program, derived from a 1997 legislative directive to make recommendations on the use of Pell Grant savings, said Poch. HESO would use the funds to reduce the student’s share of the cost of attendance, he said, and extend maximum state grant eligibility. The office’s recommendation is to reduce students’ direct share of attendance costs from 50 percent to 48 percent, at a cost of \$9 million. The other \$4.5 million would extend the length of eligibility for state grants by a quarter or semester, in order to accommodate those students who cannot finish in the regular 12 quarters or 8 semesters.

Poch said the second recommendation requires no appropriation, but amends statutes in order to set new minimum registration requirements of six credits instead of the current eight for child care grants and work study programs. The rationale behind the idea, he said, was to not only help students but also ease program administration through uniform aid requirements.

Third among the recommendations is an authorization for HESO to use up to \$750,000 of the EdVest appropriation funds to create a statewide information campaign, he said, noting that many families lack information about savings programs such as EdVest. Other recommendations include changes to National Service scholarships, private career school regulation, and the Minnesota Education Telecommunications Council, said Poch.

Sen. Steve Murphy (DFL-Red Wing) then spoke on the final report of the Legislative Roundtable on Vocational

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Technical Education, established by the Legislature in 1997. The roundtable, consisting of legislators, businesspeople, educators and students, focused on four main ideas. Murphy said the group explored the ways counseling at the secondary and post-secondary level could improve student job placement, tried to determine how recruitment efforts by technical colleges could help fill student vacancies, developed ways to encourage cooperation with industry, and explored the relationship between technical colleges and current school-to-work programs.

A number of conclusions were reached in the report, said Murphy, one of which was determining a target ratio of 200 students to one counselor in high schools, 350 to one in middle schools, and 400 to one in elementary schools. In some schools, he said, the ratio is closer to 450 to one, leading to overworked and ineffective counselors.

Many of the members of the roundtable were present, all of whom discussed their positive reactions to the roundtable's efforts and results.

"In the 30 years I've been involved in vo-tech, this is one of the finest efforts to rework vo-tech education that I've ever seen," said Carl Montzka, a roundtable participant and Buffalo teacher.

Health and Family Security Committee

Health bills advance

Sen. Dallas Sams (DFL-Staples), Sen. Sheila Kiscaden (R-Rochester), Sen. Pat Piper (DFL-Austin) and Sen. Linda Berglin (DFL-Mpls.) presented separate health and child welfare bills to the Health and Family Security meeting Thurs., Jan. 29. The committee, chaired by Sen. John Hottinger (DFL-Mankato), approved all four measures.

S.F. 2447, authored by Sams, makes minor changes to statutes relating to alcohol and drug counselors, audiologists, hearing instrument dispensers, occupational therapy practitioners, speech language pathologists, and unlicensed mental practitioners. Sam said the bill was introduced last session but stalled because of disagreement between two occupational groups over the wording of some provisions. He said the

groups returned this year to work out compromise language. Health Occupations Section Manager Tom Hiendlmayr, Dept. of Health, said the bill makes technical changes to improve registration, renewal, and certification procedures. The committee approved the bill and re-referred it to the Governmental Operations and Veterans Committee.

Kiscaden then presented S.F. 2277, a bill that amends provisions in current statutes to comply with the federal Child Abuse and Prevention and Treatment Act, and the Adoption and Safe Families Act of 1997. Kiscaden said the bill would speed up the child protection process to place abused children more quickly into a safe, comfortable, and nurturing environment. Erin Sullivan Sutton, director of Children's Services, Dept. of Human Services, said the bill shortens adoption time lines and makes the child's health and safety paramount considerations in determining the "best interest of the child," superceding, in the case of potential abuse, family reunification efforts.

Berglin said she was concerned that this bill will add additional burdens on courts and taxpayers at the local level and said the issue "calls out for the state to become more involved" in funding--rather than relying on the county tax base. Michael Jones, Communities of Color Institute, said he was very concerned about several provisions, particularly those shortening adoption time lines and terminating parental rights, that he said could hinder ongoing efforts at family reunification. The bill was approved and re-referred to the Judiciary Committee.

S.F. 2605, authored by Piper, authorizes the Dept. of Health to enter into agreement with the U.S. Nuclear Regulatory Commission to assume regulation over certain non-power sources of radiation--that is, low-level nuclear waste. Frank Yose, Mayo Clinic, said the hospital was concerned that the legislation might lead to increased fees and regulation for the nuclear waste created by the clinic's high-tech diagnostic equipment. Judith Ball, Radiation Control section manager, Dept. of Health, said state involvement may increase efficiency, thereby reducing fees, but promised to work with the Mayo Clinic and other licensees to address these concerns. The bill was approved and re-referred to the Governmental Operations and Veterans Committee.

Finally, Berglin presented S.F. 2634, a bill that makes modifications and improvements to the Minnesota Health Care Cost Information System. She said the bill puts into statute, based on current practice, the ability of the Dept. of Health to provide hospitals with cost and utilization trend data. S.F. 2634 was approved and re-referred to the Health and Family Security Budget Division.

Welfare oversight bills discussed

Sen. John Hottinger (DFL-Mankato), who chairs the Health and Family Committee, opened the meeting of the Health and Family Security Subcommittee on Welfare Oversight, Fri., Jan. 30. He asked the subcommittee to consider, without a final vote, the options and issues raised during testimony on four bills that modify provisions in last year's welfare reform legislation. He said he was conferring with the authors to present one comprehensive bill to the full committee that incorporates elements of each bill. Chair Sen. Becky Lourey (DFL-Kerrick) then asked the authors to present the bills in succession with testimony to follow.

S.F. 2340, authored by Sen. Dan Stevens (R-Mora), is a bill that incorporates Dept. of Human Services modifications to the Minnesota Family Investment Program (MFIP). Stevens said welfare reform last year represented a landmark bipartisan effort that significantly transformed the welfare system. He said further modifications and fine-tuning were needed, however, to make MFIP work more successfully. Assistant Commissioner, Deborah Huskins, Dept. of Human Services, said the bill as amended is "very technical with no substantive changes that corrects provisions in the old bill lacking specificity." She said, for example, the bill provides definitions for terms such as "legal custodian" among others, clarifies language, and puts provisions in line with federal statutes to maximize federal funding.

Sen. Sheila Kiscaden (R-Rochester) presented S.F. 2567 on behalf of the author, Sen. Linda Berglin (DFL-Mpls.). She said the bill changes the definition in welfare programs of "suitable employment" to include up to 48 months of education. She said the bill would also allow participants to redirect the mandated job search with a focus on education and training.

Kiscaden also presented, on Berglin's behalf, S.F. 2631, a bill that offers incentives to leave MFIP by retaining eligibility for transitional child care and health care benefits if the family income rises above eligibility standards.

Sen. Sam Solon (DFL-Duluth) said that the bill he authored, S.F. 2343, changes last year's legislation to modify provisions that impose undue hardships on welfare families. While he said applauded the tremendous and lofty goals of welfare reform, families who live in subsidized housing should not lose up to \$100 per month, for example. He said his bill allows participants to finish educational training without fear of losing child care, health and transportation assistance. He said his bill also creates a food supplement for legal noncitizens equal to the food stamp amount for the same family size and composition.

After presentation of the bills, the committee heard testimony from citizens affected by welfare reform changes. Deb Housey said Solon's bill corrects some of the harm imposed by welfare reform. She said families forced to accept the first dead-end job offer will become, "the new slave market for corporations who will use MFIP program requirements for their own greedy gains." Linda Gawboy and Kathy Flynn told of failed efforts to receive child care assistance while they pursued education in fields that would get them "up and out of poverty." Several witnesses complained of reduced support, unrealistic deadlines, confusion among caseworkers, and mandates that job searches could not include education. Gawboy summed up the prevailing sentiment when she said, "We have the right to make choices about what is best for our families without some county bureaucrat telling us what to do."

Health bills approved

The Health and Family Security Committee heard discussion and testimony on five bills, Tues., Feb. 3. Sen. John Hottinger (DFL-Mankato) chaired the meeting.

Sen. Deanna Wiener (DFL-Eagan) presented her bill, S.F. 1984, establishing a post-kidney transplant drug program to cover the cost of transplant maintenance drugs that are not covered by any other third party payer. Wiener said her bill launches a small pilot program through

FY 2000, covers a federal gap, and ensures that transplant recipients receive health insurance coverage for anti-rejection medications after Medicare's three-year limit on coverage lapses.

Dr. Paul Abraham, National Kidney Foundation of the Upper Midwest, said his organization is very concerned that patients are at risk of rejecting transplants when they can no longer afford to pay for anti-rejection drugs. He said the potential cost to taxpayers is high, over \$50,000 per year, if a patient requires a new transplant or dialysis treatment.

Sen. Sheila Kiscaden (R-Rochester) said she realized a problem in coverage exits, but asked if the bill could be dovetailed to existing programs or proposals. Sen. Linda Berglin (DFL-Mpls.) echoed the concern and said separate drug reimbursement programs are too difficult to administer. Kiscaden also asked if the standard of income eligibility was consistent with other state-supported health plans. Wiener said she would explore the Senators' concerns and offer new language at the next hearing. The bill was laid over for future discussion.

S.F. 2130, authored by Sen. Leo Foley (DFL-Anoka), is a bill that establishes a definition of durable medical equipment and requires that insurance providers disclose the extent of coverage they provide for durable equipment. Mary Jo George, Multiple Sclerosis Society, said the bill does not mandate coverage but rather creates a minimum definition so consumers and health care plans understand what is covered.

Kiscaden said she was uncomfortable with a section that requires payment for follow-up support services and offered an oral amendment to delete the wording. The committee approved the amendment.

Sen. Dallas Sams (DFL-Staples) and Dave Kunz, Minnesota Optometric Association, raised objections to two sections requiring health plans to cover eyeglasses and hearing aids, because of the potential fiscal impact. Foley offered an oral amendment to delete the sections, which was adopted. The measure, as amended, was approved and re-referred to the Commerce Committee.

Hottinger then presented, S.F. 2509, a bill that he said would jump-start the crisis nursery program in Greater Minnesota. Minh Ta, Family and Children's

Service, said nearly all of the existing crisis nurseries, which provide a safe and nurturing environment for parents in crisis, are in the Metropolitan Area. Ta said \$200,000 in FY 1998 is needed to provide technical assistance to counties interested in developing a crisis nursery program. Sen. Martha Robertson (R-Minnetonka) and Kiscaden said that they believed a funding source for technical assistance already exists in ongoing Dept. of Human Service programs or with county collaboratives. Crisis nursery director Mary Kuusisto, Children's Home Society, said few human service programs exist in rural areas. The committee laid over the bill.

S.F. 1076, authored by Sams, prohibiting health plans from excluding off-label drugs for the treatment of cancer, was approved and re-referred to the Commerce Committee. S.F. 2108, authored by Sen. Linda Berglin (DFL-Mpls.) a bill that deals with lead abatement statutes, was held over until the next meeting.

Public testimony heard

The Health and Family Security Committee held a public hearing outside the Capitol at Christ Lutheran Church in St. Paul, Tues., Feb. 3. The committee, chaired by Sen. John Hottinger (DFL-Mankato), heard personal testimony on the impact of reductions in food stamps and other nutritional programs.

Health care system bill discussed

Turnout was high for the discussion of S.F. 709 at the Health and Family Security Subcommittee on Health Care Access meeting Wed., Feb. 4. Many of the fifteen speakers representing state government, health care systems, interest groups, and private interests framed the debate over the bill on the basic issue of choice. Those against the bill often said that choices of health care provider would decrease as a result of the bill, while those for it said that the public's choices would increase.

The bill, authored by Subcommittee Chair David Ten Eyck (DFL-East Gull Lake), requires health care companies to cover health care services provided by any qualified health care provider willing to accept the health plan's operating terms and conditions.

The bill prohibits health plan companies from either directly or indirectly

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imposing higher enrollee cost-sharing or reducing reimbursement for any services affecting an enrollee's choice of health care providers participating in the plan. The bill does not allow any imposing of a copayment, fee or condition not equally imposed upon every enrollee in the same benefit category, class, or cost-sharing level, when the enrollee is receiving services from a participating health care provider. The bill also prohibits the limitation or restriction of an enrollee's coverage for any service covered by any health care providers willing to accept the health plan's operating conditions, schedule of fees, covered expenses, and utilization regulations.

The bill states that any health plan company may still use measures designed to maintain quality and control costs, so long as those measures are imposed equally on all health care providers of the same type. The bill does not require that a health care plan cover any specific health care service or permit a condition that would have the effect of excluding any type or class of provider from providing health care services to enrollees.

"The bill is fairly straightforward," said Ten Eyck. "It presents a greater continuity of care for patients who often have to switch providers while in the middle of coverage," he said. "The bill will also allow patients to be able to 'vote with their feet,'" if they have a conflict, he said.

Numerous private citizens came forward to testify on behalf of the bill, saying that they often have had to switch providers in the middle of receiving care, either as a result of switching jobs, or employers comparison-shopping for plans. Chad Furman, a professor at the U of M, said that his family had been forced to change employers three times in order to keep his wife's ongoing care under the same doctor.

Others representing interest groups spoke on the issues of costs and trends in the industry.

Twila Brase, of the group Citizens for Choice in Health Care, said that health care costs since 1980 have increased dramatically. She said that inpatient costs had increased 317 percent, outpatient costs 373 percent, and administrative costs by over 500 percent. "It is

wise," said Brase, "to consider the cost savings of staying with one's doctor of choice. Common sense says that the savings would be enormous."

Pam McCrea, vice president of family and children's services for Lutheran Social Services, said that she was before the subcommittee as a representative of the largest statewide social service agency in the state. She said that they had been forced to close 20 of their 75 clinics because of managed care. "We find ourselves subsidizing HMO's," she said.

Representatives of health care providers were also on hand, all of whom said that the bill presents a number of problems. Many also said the bill actually serve to limit provider choice, not expand it. "A significant number of Minnesotans will become uninsured, because the increase in premium costs will make health care coverage unaffordable," said Micheal Scandrett, of the Minnesota Council of Health Plans. He said that a large number of employers would choose to self-insure under ERISA in order to avoid the mandate, and their employees would then be out of reach of all state regulations and consumer protection laws.

The bill was sent to the full committee without recommendation.

Health and Family Security Budget Division

Budget requests heard

The Health and Family Security Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd), continued to hear the proposed budget overview of the Dept. of Human Services (DHS) at a meeting Thurs., Jan. 29.

Maria Gomez, assistant commissioner of human services, DHS, presented several requests, including an increase to the alternative care grant program of \$6.488 million in FY 99 to cover expected growth, and an increase to the general fund base budget of \$161,000 in FY 99 to help low-cost nursing facilities.

Gomez presented a request for an increase of \$430,000 in FY 98 and \$1 million in FY 99 to reimburse county and service providers for flood-related human service costs. The request covers replacement costs for Ada and East Grand Forks nursing homes, which were destroyed by the flooding in 1997. It also includes costs to address mental health and chemical

dependency needs resulting from stresses caused by the flood.

Elaine Trimmer, assistant commissioner of continuing care, DHS, presented a request for an additional \$750,000 in FY 99 to finance a staff increase at the Minnesota Sexual Psychopathic Personality Treatment Center.

Deborah Huskins, assistant commissioner for economic and community support, DHS, presented three requests for decreases in general fund expenditures to DHS programs that are the result of forecasted reductions in program expenditures. She said a decrease of \$20.343 million in FY 99 for the Minnesota Family Investment Program (MFIP) is requested due to continued rapid decline in the Aid to Families with Dependent Children (AFDC) caseload.

She said a request for a decrease in the general fund of \$6.933 million in FY 98 and \$6.321 million in FY 99 for the General Assistance (GA) grant program is due to a reduction in the expected effects of eligibility changes in the federal Supplemental Security Income (SSI) program. There is also a request for a decrease in the general fund of \$2.241 million FY 98 and \$2.749 million in FY 99 for Minnesota Supplemental Aid (MSA), based on the department's forecasted expenditures. She said the forecast changes in the MSA program are the difference between increases resulting from the restoration of SSI benefits to non-citizens by Congress and small reductions in projected MSA caseload and average payment.

Huskins presented a recommendation that the authority and resources of payment of per diems to battered women's shelters and safe houses be transferred from DHS to the Dept. of Corrections (DOC), effective July 1, 1998. The terms of the request include that \$2.719 million of existing funding be retained in DHS for cashflow purposes during the transition in FY 98.

Huskins said DHS requests \$483,000 in FY 98 and \$4.152 million in FY 99 to continue implementation of the Minnesota Family Investment Program (MFIP). The request will be funded from the Temporary Assistance for Needy Families (TANF) reserve in the special revenue fund.

She said the purpose of the request is to bring the statewide MFIP program into

compliance with federal requirements and to meet the directives of the 1997 legislative session. The 1997 bill reduced the food portion of the MFIP grant by \$30 for households receiving public housing subsidies, she said. However, the reduction does not comply with the federal Food Stamp Act. The proposed MFIP modification buys back \$10 of the \$30 reduction. The MFIP modification also provides for a Cost of Living Adjustment (COLA) to the food portion of the statewide MFIP transitional standard.

Testimony on budget heard

Sen. Don Samuelson (DFL-Brainerd) chaired the Health and Family Security Budget Division hearing, Mon., Feb. 2. He opened the floor to testimony only on the governor's supplemental budget recommendations.

Bruce Nelson, Association of Residential Resources in MN, said a glance at the governor's budget forecast raises serious questions about the decrease in expenditures for people with disabilities. He said high turnover rates in the social services work force as well as long waiting lists for disabled people looking for services suggest the state should reinvest those savings into more programs for the disabled. Shirley Hokanson, MN Developmental Achievement Center Association, asked for Senate support of a bill, S.F. 2233, that provides a cost of living increase for programs for the developmentally disabled.

Lee Helgen, Local Public Health Association, said his organization was concerned about the extent of state and local coordination on the Fetal Alcohol Syndrome Initiative. Ann Henry, Minnesota Disability Law Center, urged support for the repeal of the asset test in the KidCare program, which provides health care coverage to Minnesota's children. Henry and Bob Brick, Association for Retarded Citizens, said they were disappointed the governor's recommendations did not present a proposal to use unspent money created by changes in the disability waiver expenditures forecasts to reduce waiting lists for access to programs.

Ellen Weiss, co-chair, Health Care Consumer Advisory Board, urged Legislators to support S.F. 2613 that provides funding for the consumer advisory board to cover office space, two full time staff members, and travel

expenses. Ann McCully, American Cancer Society, asked Senators to support the Breast and Cervical Cancer Control Program in the governor's supplemental budget request.

Chris Norton, Breast Cancer Coalition, said state funds for screening and diagnosis of breast and cervical cancer will save the lives of thousands of Minnesota's women. Samuelson asked if the coalition is pursuing federal dollars. McCully said cuts in federal programs had prompted the request for state funds but assured the committee that health organizations were still looking for other sources of federal funding.

"If you believe that Minnesota children are entitled to a safe environment, then the property tax base is not the way to fund it," said Pat Conley, Association of Minnesota Counties. She urged Legislators to expend surplus dollars on child welfare programs. Sarah Maxwell, director, Child Protection Services, Hennepin County, asked that Legislators be more responsive in funding front-end child protection programs that deal with prevention and education.

Jane Funk, MN Association of Mental Health Residential Facilities asked for support for ongoing cost of living increases to fund increased wages for underpaid mental health workers. Bob Melson, MN Association of Resource for Recovery and Chemical Health urged greater spending for chemical-dependency programs.

Jobs, Energy, and Community Development

Telecommunications bill stalled

The Jobs, Energy, and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton), met Thurs., Jan. 29 to discuss a telecommunications bill.

Sen. Steve Kelley (DFL-Hopkins), author of S.F. 2098, said the bill authorizes municipalities to provide telecommunication services upon a simple majority vote of the municipality's governing body. Kelley said current law requires a super majority (65 percent) of those voting in a local election to authorize a municipality to operate a local exchange to compete with an existing telephone company.

Kelley said the bill includes both basic

telephone services and advanced telecommunication services. "Technology has changed since the 1950s," Kelley said. "Municipal utilities make decisions for the community and want to provide the best service and technology."

The intent of the bill is to streamline the formation of municipal telecommunications entities in order to provide price and service competition for basic and advanced telecommunications services, Kelley said.

Kelley said a municipality providing telecommunications services will be subject to the provisions in law regulating these entities including the obligation to serve all customers within its service territory and to participate in a universal service fund.

Governmental and Industry Relations Manager for Frontier Communications, Todd Kruse, said the company is philosophically opposed to the current version of the bill because creating municipally owned and operated telecommunications networks is not the proper role of governmental units. "Cost overruns, competitive pricing, rapid obsolescence, and ongoing management expertise will require municipalities to expend resources they could more effectively use elsewhere for their citizens," Kruse said.

An amendment, offered by Sen. Kenric Scheevel (R-Preston), that would have altered the bill to authorize the commissioner of public service to conduct a review of the legislation with the Public Utilities Commission and stakeholders involved in the provision of telecommunications and cable services, was defeated.

No further action was taken, but discussion on S.F. 2098 will continue at a later meeting.

Re-employment changes approved

The Jobs, Energy, and Community Development Committee met Fri., Jan. 30, and took action on four bills including one that clarifies language and changes monthly compensation levels for some individuals receiving state reemployment benefits. The committee is chaired by Sen. Steven Novak (DFL-New Brighton).

S.F. 2621, sponsored by Sen. Kenric Scheevel (R-Preston), makes both technical and substantive changes to the states reemployment insurance program.

The bill lowers the maximum experi-

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ence rating for employers from 9 to 8.9 percent, and regulates the transfer of an employer's experience rating when all or a part of the business is acquired. An experience rating is a number based on a firm's payroll divided by the amount of claims by workers from that firm. The more employees a firm lays off the higher rate the employer pays into the state's reemployment fund, Scheevel said.

"This is an equity issue. All employers should be treated the same," said Lee Nelson, an attorney for the Department of Economic Security.

The bill also changes the maximum weekly benefit amount. The maximum benefit will be the greater of two-thirds of the state's average weekly wage or 50 percent of the state's average weekly wage if the claimant's benefit amount is determined by the claimants wages in a high quarter.

Scheevel said some employers give bonuses to workers in a quarter and then lay-off the worker thus allowing the claimant to receive reemployment benefits that are not a true reflection of their wages. Scheevel also said the bill repeals exceptions to recovery of overpayments due to errors made by an employer or department.

The bill also makes a claimant ineligible for benefits for any week if they are attending a secondary school or work 32 hours or more. "Regardless of a workers earnings this bill sets 32 hours of work per week as full-time," Scheevel said. Nelson said the bill also sets a \$500 penalty on an employer who provides false information on denying a worker reemployment benefits.

Scheevel said if the changes were in effect in 1997 the bill would have affected 46,000 claimants. "About 50 percent of the people affected had inflated benefits and 22,000 would have received slightly more compensation," he said. S.F. 2621 was recommended for passage on a voice vote.

Sen. Dennis Frederickson (R-New Ulm) authored a Dept. Of Trade and Economic Development's omnibus technical and policy bill providing that the Office of Tourism may purchase items for resale without competitive bidding. Frederickson said the Office of Tourism needs the flexibility to buy merchandise at trade shows for its retail outlets, including one at the Mall of America.

S.F. 2415 also authorizes compensation for members of the Job Skills Partnership Board. "They are required to meet more often." Frederickson said, "They will be able to receive a per diem for expenses that will come out of the board's existing budget."

The bill also modifies assistance under the wastewater infrastructure funding program. Frederickson said changes require planning for financial assistance from the wastewater infrastructure fund be based on 50 percent of the projected residential growth of the municipality for a 20-year period. S.F. 2415 was approved and sent to the Senate floor.

S.F. 2288, authored by Mark Ourada (R-Buffalo), was recommended for placement on the Consent Calendar. The bill extends the deadline for the Public Utilities Commission to adopt rules relating to public right-of-way.

S.F. 2445, carried by Novak, was approved and sent to the floor. The bill amends current law in regulating the excavation notice system and authorizes the commissioner of public safety to replace the mandatory Pipeline Safety Advisory Council with a discretionary Pipeline Advisory Committee.

Film fund approved

The Jobs, Energy, and Community Development Committee met Tues., Feb. 3 and approved several bills including one that creates a \$5 million revolving loan fund for the movie industry. The committee is chaired by Sen. Steven Novak (DFL-New Brighton).

S.B. 2541, authored by Sen. Arlene Lesewski (R-Marshall), creates the Minnesota Television and Film Revolving Loan Fund. The fund will make direct loans into television and movie projects in Minnesota, Lesewski said. Under the bill the amount of any loan cannot exceed 50 percent of the projects total cost. "The company will be required to spend 140 percent of the loan in Minnesota," she said. Lesewski added that the minimum for a loan is \$50,000 and the maximum is \$500,000.

Lesewski said Canada has a similar program that works well because when companies pay back loans they are required to pay interest and a percentage of the projects profits. "This will allow the fund to regenerate itself," she said.

Randy Adamsick, of the Minnesota Film Board, said 55 feature films have

been shot in Minnesota this decade and the fund is designed to give the industry a boost. "We will be the first state to have a fund like this, so we are breaking new ground," Adamsick said.

The bill was approved and re-referred to the Economic Development Budget Division.

S.F. 2094, carried by Sen. Linda Berglin (DFL-Mpls.), establishes a program to provide two-for-one state matching grants to savings by low income people if the savings are spent on education, to purchase or improve a home, or to start a business. Berglin said eligible organizations will apply for grants to operate the Minnesota Family Assets for Independence Initiative (MFAII).

Berglin said the organizations that receive grants will be responsible for determining eligibility for participation in MFAII. "The families who receive matching funds will be required to participate in asset management education as a key component of the savings plan," she added.

Dale Anderson, of the Ramsey Action Program, said not everyone who is eligible will qualify for the program because people who participate have to establish the savings account and take the asset management classes before they receive any matching funds. Anderson added that the way to help people out of poverty is provide them with the knowledge and opportunity to gain assets.

S.F. 2094 was approved and referred to the Economic Development Budget Division.

Judiciary

Grandparents visitation bill gains

The Judiciary Subcommittee on Family Law continued testimony on S.F. 365, S.F. 595, and S.F. 1979 dealing with grandparent visitation rights, Thurs., Jan. 29. Sen. David Knutson (R-Burnsville) also presented three bills dealing with child support payment and enforcement.

When last presented to the subcommittee, Sen. Sheila Kiscaden (R-Rochester) had offered an amendment to merge key components from three separate bills on grandparent visitation rights. Chair Sen. Leo Foley (DFL-Anoka) asked the authors to meet to discuss the Kiscaden amendment and offer possible compromise language. Sen. Steve Kelley (DFL-Hopkins), author of S.F. 1979 to which

the amendment was attached, said Kiscaden's changes "move us in the right direction." Sen. Carol Flynn (DFL-Mpls.), author of S.F. 365, said the committee needs to be mindful of the best interests of the child and respect a 1995 court decision that established grandparent visitation rights.

Sen. Thomas Neuville (R-Northfield) then offered an amendment that broadens visitation rights to relatives of the child, as defined in the bill. He said the amendment gives courts more flexibility in determining the best interests of the child when family ties are disrupted by acrimonious divorce proceedings. Sen. Becky Lourey, author of S.F. 595, said she did not oppose the Neuville amendment but said broadening already controversial grandparent visitation rights "might kill the bill." After several Senators echoed Lourey's argument, Neuville withdrew his amendment.

Kiscaden said she would refine language before the next hearing to mollify Senator's concerns over how courts and lawyers will interpret provisions requiring that proceedings not impose an undue burden on the child. The committee approved S.F. 1979 as amended and referred it to the full Judiciary Committee.

Knutson presented S.F. 2276, a child support bill that brings child support enforcement provisions, enacted as part of the welfare reform act of 1997, into conformity with federal law. He said, for example, the bill clarifies application of child support guidelines provisions. Christa Anders, Child Support Enforcement Division, Dept. of Human Services, said the bill makes technical changes to refine existing statutes. The bill was approved and referred to the full Judiciary Committee.

Knutson then presented S.F. 2276 and S.F. 2160 relating to the use of life insurance proceeds and liens in determining child support obligations. Kiscaden, Neuville and Sen. Don Betzold (DFL-Fridley) said they were concerned over the unintended consequences of these bills, such as providing a disincentive for naming child support obligators as life insurance beneficiaries. Knutson withdrew the bills in face of committee member's concerns and lengthy debate.

Finally, Judge Bev Anderson said she supports S.F. 2040, authored by Foley, that modifies provisions dealing with the procedure for moving directly to a

hearing in Administrative Court. The subcommittee approved the measure and referred the bill to the full Judiciary Committee.

Psychology Board bill heard

A bill modifying the enforcement authority of the Board of Psychology was heard in the Fri., Jan. 30, meeting of the Judiciary Subcommittee on Data Privacy and Information Policy. The bill was before the panel because of a provision granting the board access to police reports and court records of people applying or licensed to practice psychology. Sen. Steve Kelley (DFL-Hopkins), sponsor of the bill, S.F. 1001, said that the bill gives the board access to records that are not now available to it, but are available to other licensing boards.

Gerald Kaplan, chair of the Board of Psychology, said that the board must investigate allegations of criminal conduct by psychology practitioners, and the presentence investigation record is the most factual and complete source of information on the subject and often includes a psychological evaluation of the person being investigated. The Board of Psychology can conduct its own investigation to obtain the same information, said Kaplan, but it is often repetitive and may delay action by the board.

Sen. Jane Ranum (DFL-Mpls.) said she was concerned that the board was seeking access to adjudications and other court records. Saying that the authority "appears very broad," she asked if any other licensing boards had similar authority.

Kelley responded that by limiting the board's access to only felony investigation records, other indicator offenses, such as a DWI conviction, may be excluded. Kelley also said that the bill limits the board's access to records that pertain to the conduct of the person who is being investigated.

Noting that the bill grants the board access to records of all investigations, Committee Chair Don Betzold (DFL-Fridley) said that he didn't think the Bureau of Criminal Apprehension (BCA) would appreciate handing over the records of an investigation that was still in progress. Kaplan defended the provision by saying that the board needs authorization to look at non-criminal investigations so it can decide what misdemeanors may be relevant to their investigation of

the licensee. Betzold then asked what distinguishes the Board of Psychology from all other professional licensure boards. Kelley responded that previous attempts to change the statute that defines the powers and duties of all licensure boards has been resisted by the licensees, so now the change will be attempted board by board.

Kelley stated that by requiring the board to start its own time consuming investigation, patients of a psychology practitioner who is under investigation may be placed in imminent risk. He added that if the board examines the subject's records and finds evidence of wrongdoing, the board may suspend the practitioner's license. Betzold asked how that squares with the concept that a person is innocent until proven guilty. Kelley responded that the same standard does not apply because psychological practice is a privilege. Kelley said that summary suspension of a license requires a due process hearing, but his bill is only concerned with acquisition of relevant evidence for the board's investigation.

Betzold said that the issue presented by the bill is one that needs to be considered by the Information Policy Task Force (IPTF), of which he is a member along with Sen. David Knutson (R-Burnsville). Betzold said that the task force will look at the broader picture and make recommendations on such matters as access to court records. Betzold then successfully moved to remove the court record access provision from the bill. The panel then sent the bill to the full Judiciary Committee without recommendation because the panel did not have jurisdiction over the remaining provisions in the bill.

Later, the subcommittee considered S.F. 1378, sponsored by Betzold. In a section by section explanation of the bill, Betzold said the bill clarifies: that correspondence between individuals and elected officials is private data; that calendars used by public employees to account for work time is public data; that law enforcement agencies may release information surrounding allegations of child abuse by a children's service worker to the worker's employer; specifies the kind information surrounding an individual's arrest that is private; clarifies application of the Data Practices Act on the release of juvenile court records to third parties; and that the BCA doesn't have to destroy juvenile court records it

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obtains of juveniles found not guilty if the bureau has access to the records under other laws.

Sen. Sheila Kiscaden (R-Rochester) offered an amendment requiring municipal utilities to inform customers that personal information may be released for business purposes and that the utilities must provide individuals the option to keep their personal information private.

Betzold stated that the IPTF needs to look at the broader issue of access to customer lists for commercial purposes and said he hoped the task force didn't just look at the utility provider choice. He said that before the use of computers, getting access to a list of customers meant pulling files out of a cabinet and copying each one of them by hand. Now, Betzold said, it's just a matter of copying a computer file onto a disk. "Technology will force us to reconsider what information ought to be public and what ought not to be," he said.

Sen. Deanna Wiener (DFL-Eagan) said that a problem with Kiscaden's amendment is that it has no bearing on customer lists kept by private utilities. Kiscaden withdrew her amendment. The panel took no action on the bill, but will use it as a vehicle for other data practice provisions.

Six bills advance

The Judiciary Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), heard testimony and approved six bills in quick succession, Mon., Feb. 2.

Sen. Don Betzold (DFL-Fridley) said his bill, H.F. 2524, is a normal clean-up Revisor's bill that had been circulated earlier among Senate counsel. The committee approved the bill recommended it for the Consent Calendar.

S.F. 1654, authored by Sen. David Ten Eyck (DFL-Brainerd), is a bill that involves the recording of real estate documents and creates uniformity in fee structures across the state.

Cindy Koosman, Washington County Recorder/Registrar, said the impetus for the bill is to delete ambiguities in language, create a more customer friendly fee structure, and deal with several "housekeeping" issues. Sen. Richard Cohen (DFL-St. Paul) questioned Koosman about the general philosophy behind not allowing for fee variance among the counties. He asked, "should the state as a matter of policy

get involved in setting fees?" Cohen offered an oral amendment, which was adopted by the committee, deleting several fee-setting provisions in the measure. The committee approved the bill as amended and recommended it for the Consent Calendar.

Sen. Leo Foley (DFL-Anoka) presented a bill, S.F. 2040, that had been approved earlier by the Judiciary Subcommittee on Family Law. Foley said the bill modifies provisions dealing with procedures for moving directly to an Administrative Court hearing in cases of uncontested child support. The committee approved the measure and sent it on to the full Senate.

S.F. 2276 corrects and clarifies child support enforcement provisions enacted in 1997 as part of welfare reform, according to the bill's author, Sen. David Knutson (R-Burnsville). Christa Anders, Dept. of Human Services, said her department supports the bill. Sen. Warren Limmer (R-Maple Grove) said he was concerned about language in one section to allow parties who object to blood and genetic tests to request a trial. Anders said she would work with Limmer to address his concerns before the next hearing. The bill was approved and re-referred to the Health and Family Security Committee.

S.F. 2382, authored by Sen. Sheila Kiscaden (R-Rochester), is a technical bill that extends the deadline for certifying a category of complex human rights cases that encompass multiple parties and multiple issues. Dolores Fridge, commissioner, Dept. of Human Rights, said the complex case category comprised about 6-8 percent of all human rights cases. She said extending the deadline ensures a case is not dismissed before the parties have time to get all pertinent information before the commissioner. The committee approved the bill and recommended it be placed on the Consent Calendar.

Finally, the committee heard testimony on S.F. 2378, authored by Sen. Ember Junge (DFL-New Hope). Greg Fontaine, Dorsey and Whitney, and Professor Daniel Kleinberger, William Mitchell College of Law, said the bill amends provisions dealing with the formation of professional associations to provide that a professional licensed under the laws of a foreign nation could become a partner in a law firm. Fontaine said this bill gives Minnesota firms the flexibility in the growing global market to make licensed foreign nationals

partners in their firms, for example, if that law firm serves Minnesota-based corporate clients overseas. Kiscaden asked about the possible unintended consequence that might allow a foreign firm to establish a "beach head" in Minnesota using the provisions in this bill. Kleinberger acknowledged the possibility but said it was "exceedingly unlikely" given the stiff and competitive legal market in Minnesota. The committee advanced the measure to the floor.

Child protection bills heard

The Judiciary Committee held a short session after the governor's state of the state address to introduce three bills on child protection issues, Wed., Feb. 4. The committee is chaired by Sen. Jane Ranum (DFL-Mpls.).

Ranum said she is working with Sen. Sheila Kiscaden (R-Rochester) to merge Kiscaden's bill, S.F. 2277, with her bill, S.F. 2682, to create one comprehensive child protection package. She said S.F. 2201, authored by Sen. David Knutson (R-Burnsville), incorporating recommendations from the legislative auditor's report on private child protection data, will be presented later to the Judiciary Subcommittee on Data Privacy and Information Policy, and also merged with Ranum's the child protection package.

Kiscaden said the bills are a result of three separate initiatives that began last year. Ranum said the bills incorporate programs that research has demonstrated will lead to success in protecting children from abuse and placing them in safe, permanent homes more quickly. The bills also include amendments to comply with the federal Child Abuse Prevention and Treatment Act and the 1997 Adoption and Safe Families Act. Ranum said one inconsistency between the bills relates to the shortened time period during which an adoption petition must be filed after family reunification efforts fail. The authors said they realize the need to wed the initiatives together and are working hard to do so before the next hearing.

Sen. Don Betzold (DFL-Fridley) said his bill, S.F. 2572, clarifies the definition of "child in need of protective services" to reduce confusion among county child protection service providers. Sen. Warren Limmer (R-Maple Grove) asked if there would be a fiscal impact in changing the definition. Janet Wiig,

Hennepin County Attorney's Office, said the fiscal impact, if any, is small, but that she will meet with the Association of Minnesota Counties to address Limmer's concerns. The bill was approved and sent to the floor.

K-12 Education Budget Division

Special ed testimony heard

The Joint House and Senate K-12 Special Education Subcommittee, co-chaired by Sen. Martha Robertson (R-Minnetonka) and Rep. Mindy Greiling (DFL-Roseville), met Fri., Jan. 30, to hear testimony on a proposed special-education bill. Emphasizing that the bill is still "a work in progress," Greiling asked witnesses for their advice on its improvement.

There was strong disagreement among the witnesses about a section of the bill which directs the state to pay each school district 70 percent of the special education litigation costs the district incurs.

Rep. Becky Kelso (DFL-Shakopee) explained the basis for the provision. She said, "Special education is driven to an incredible degree by the fear of litigation." Special education teachers are limited in what they can do for children because they are afraid parents will sue the district, she said. She said that assuring school districts they won't have to cover all of the litigation expenses will free special education teachers to do what they think is necessary for children with disabilities.

John Guffman of the Coalition for Children with Disabilities, said the coalition is strongly opposed to the provision because they believe it will result in increased litigation, and excessive costs to the state. He said the provision is "poor social policy, poor fiscal policy, and poor litigation policy" that encourages school districts to litigate and "stick the state with the tab."

Representatives of the Minnesota Association for Special Educators expressed support for the section. However, they called for a specific definition of "litigation expenses" that are eligible for reimbursement from the state.

There was considerable support from witnesses for an article of the bill which coordinates local delivery services to children with disabilities. The provision

directs the governor to convene an inter-agency committee to develop and implement an interagency intervention service system for disabled children, and specifies additional responsibilities for interagency early intervention committees (IEIC).

Guffman said "the interagency provision in the bill is a significant step forward for the state of Minnesota which will save the state money and increase effectiveness." Representatives of Learning Disabilities of Minnesota and Minnesota Administrators for Special Education also expressed support for the provision.

There will continue to be work on the bill before it is presented to House and Senate K-12 Budget Divisions, Greiling said.

Bonding requests heard

The K-12 Education Budget Division heard testimony Tues., Feb. 3, on six bills to appropriate money from the bond proceeds fund to educational projects.

A bill appropriating \$1.8 million from the bond proceeds fund to the city of Grand Rapids for the construction of a regional learning resource center was sponsored by Sen. Bob Lessard (DFL-Int'l Falls). S.F. 2441 requires that each dollar of state money be matched by at least \$2 of nonstate money.

Grand Rapids Mayor Juan Lazo said the information/research facility will be built near the Mississippi River in the downtown business district and will encourage economic development in the area. The facility will provide computer stations with access to the World Wide Web, teleconference capabilities, information assistance to businesses in Itasca County, and resources to enhance literacy programs in the community.

Lessard also sponsored S.F. 2326, a bill appropriating \$3.8 million from the bond proceeds fund for a school-to-work technology center in Itasca County. Located in the city of Nashauk, the school-to-work technology center will provide vocational training in the use of new technology for operating taconite mines in the area. "Mining is now more technical than it was in the old pick-and-shovel days," said Joe Sertich, president of Itasca Community College. The mining industry in Itasca County will soon lose much of its workforce to retirement and needs trained workers to take their place, he said.

Sen. Dean Johnson (R-Willmar) sponsored S.F. 2370, a bill appropriating \$12 million from the bond proceeds fund to the McLeod West Interdistrict Cooperative for the construction of a new pre-kindergarten through grade 12 facility.

McLeod West Schools will consolidate independent school districts in Browntown and Stewart, pending voter approval this May. In that referendum, voters will be asked to support a new facility costing \$17 million.

S.F. 2370 requires the state appropriation be matched by a local maximum tax effort of 22 percent for the balance of the cost of the project. McLeod West Superintendent Mike McLaughlin said that without a grant from the Legislature the local tax effort would be a prohibitive \$1.26 million with a tax impact rate of 66.4 percent.

Sen. Don Betzold (DFL-Fridley) authored S.F. 2176, a bill appropriating \$90,000 from the bond proceeds fund to Independent School District No. 14 for a new boiler and new exterior windows at Fridley Middle School. Dr. MaryAnn Nelson, superintendent, Fridley School District, said the district is "limping along" with their school facilities and that the \$90,000 to replace their 40-year old boiler "would make a great deal of difference."

Sen. Linda Scheid (DFL-Brooklyn Park) authored S.F. 1988, a bill appropriating \$45.2 million from the bond proceeds fund to the commissioner of the Dept. of Children, Families, and Learning (CFL) for awarding metropolitan magnet school grants to groups of qualified metropolitan school districts. She said the bill is intended to support "voluntary desegregation" by school districts. "I feel the state has an obligation to assist these districts who have come forward voluntarily to desegregate their school districts," she said.

Tri-District Schools, which include the Roseville, North St. Paul, and St. Paul school districts, currently operates a year-round, K-6 magnet school with a multicultural curriculum. The bill provides \$15 million to Tri-District Schools for extending the multicultural magnet program to the middle-school level.

The bill also provides \$15 million for a new Fine Arts Interdisciplinary Resource (FAIR) School, a project of the West

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Metro Education Program (WMEP). Robbinsdale Superintendent Tom Bollin explained WMEP is a collaborative effort among nine school districts, including Minneapolis, Edina, Robbinsdale, and Hopkins. Students from all of these school districts may apply to WMEP schools. The FAIR school is expected to open by the year 2000 and will be located in the city of Crystal.

A second WMEP project is a magnet school in downtown Minneapolis. The bill provides \$2 million to finish its construction. The Interdistrict Downtown School will open for grades 3-8 in Fall 1998, expand to K-9 in Fall 1999, and grow to K-12 by 2002.

The bill provides \$13.2 million for a third WMEP project, the construction of a southwest magnet school in Edina. The bill also appropriates \$70,000 from the bond proceeds fund to the commissioner of finance for bond sale expenses resulting from the magnet-school grant appropriation.

S.F. 721, a bill authored by Sen. Randy Kelly (DFL-St. Paul), appropriates \$14.3 million from the bond proceeds fund for a grant to IDS No. 625, St. Paul. The purpose of the grant is to design, construct, and equip a community-based school facility within the district.

Kelly said the proposed school facility is a third Achievement-Plus K-6 program that will be located at the old Johnson High School site. There are currently two Achievement-Plus K-6 schools operating in St. Paul. He said the \$14.3 million appropriation covers 50 percent of the total cost of the facility.

St. Paul Superintendent Curman Gaines told the members "St. Paul is committed to this initiative." He said the two Achievement-Plus facilities currently operating have seen dramatic improvements in student achievement since they began.

Arts capital budget request heard

The K-12 Education Budget Division heard testimony on nine bills and a capital budget request for the Minnesota Center for Arts Education at a meeting Weds., Feb. 4. Members, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), approved three bills for inclusion in the omnibus bill.

David O'Fallon of the Minnesota

Center for Arts Education, presented a summary of the center's capital budget requests. Two of the requests are among the governor's capital budget recommendations. They are a request for \$782,000 to renovate classrooms and offices, and \$467,000 to preserve deteriorating infrastructure. The Center is requesting \$2.895 million in addition to the Governor's recommendations, in order to upgrade dormitories, renovate and air condition the GAIA building, design a new theatre and dance building, and air condition a classroom building.

A proposal incorporating the recommendations of the Facilities Subcommittee is sponsored by Sen. Charles Wiger (DFL-St. Paul). Two sections of the bill were approved for inclusion in the omnibus bill. The first section exempts facility maintenance projects funded with general education aid and levy or health and safety aid and levy from the review and comment process. The section defines facility maintenance projects to include roof replacement, boiler replacement, and other projects. The second section eliminates the \$400,000 restriction on use of total operating capital revenue for acquiring or constructing buildings for school purposes.

S.F. 2397, authored by Sen. Gen Olson (R-Minnetrista), changes the requirement for uses of a combined school-district and community facility. According to current statute, the facilities of any school district must be used primarily for regular school activities, and secondarily for recreational purposes. Olson's bill deletes the the primary and secondary distinctions from the statute.

Westonka Superintendent Pam Myers testified that there is a building in the school district that is used for both school and community purposes. The school district wants to issue bonds to fund building improvements but the proportion of use by the school district and the community is roughly half-and-half, said Myers. Dan Bryan of the Dept. of Children, Families, and Learning (CFL), said CFL supports the bill as part of its effort to encourage co-located facilities.

Pogemiller expressed concern about the statewide implications of the bill. He said this may dramatically increase the number of buildings eligible for debt-service equalization. S.F. 2397 was approved for inclusion in the omnibus bill, on the condition that there would be some

"tightening language" added to it.

S.F. 2070, sponsored by Sen. Deanna Wiener (DFL-Eagan) reduces the building age threshold from 20 to 15 years for participation in the Alternative Facilities Bonding and Levying Program. Alan Hopeman of Independent School District 196 in Rosemount-Apple Valley-Eagan, testified the district meets every other requirement for the bonding and levying program, but the average age of its buildings is 15.01 years. ISD 196 is the only district affected by the bill this year, he said. S.F.2397 was adopted for further consideration when levy targets are determined.

Wiger sponsored a similar bill, S.F. 2646, to reduce the total square-footage threshold from 1.85 million to 1 million square feet for districts' participation in the Alternative Facilities Bonding and Levying Program. Wiger said it would make 13 more school districts eligible for the program. Action on the bill was delayed until information on which school districts would become eligible can be considered.

Sen. Ellen Anderson (DFL-St. Paul) and Sen. Linda Higgins (DFL-Mpls.) both sponsored bills appropriating money from the bond proceeds fund for CFL to spend on youth enrichment grants. Both Higgins' bill, S.F. 2137, and Anderson's bill, S.F. 2812, appropriate \$5 million for youth enrichment grants in the city of Minneapolis and \$5 million for youth enrichment grants in St. Paul. While Higgins' bill appropriates another \$30 million for enrichment grants outside the cities of Minneapolis and St. Paul, Anderson's bill appropriates \$16 million.

Anderson said the language in the bill she authored is identical to the governor's proposal for after-school funding that was passed and funded two years ago. That funding met with "great success," she said. Although a continuation of the funding is not in the governor's budget recommendations this year there is still a large unmet need, Anderson said.

No action was taken on the two bills.

Sen. Dennis Frederickson (R-New Ulm) sponsored S.F. 2038, a bill appropriating \$2.75 million from the bond proceeds fund to Independent School District No. 2758, Redwood Falls, for the construction of a multipurpose education/community center. The appropriation must be matched by \$5.5 million of nonstate money.

Frederickson said the community center allows for growth in community education and recreation programs, fills a need for small conference facilities, and provides a space for youth activities. The center includes a field house, a gymnasium, a teen center for at-risk youth, after-school and "latchkey" programs, conference and meeting facilities, an aquatic center, and a health/fitness facility. He said the project cannot be implemented without state funds. No action was taken on the bill.

Sen. Sandra Pappas (DFL-St. Paul) sponsored S.F. 2084, a bill appropriating \$3 million from the bond proceeds fund for matching grants to help public libraries remove architectural barriers, bringing them into compliance with the Americans with Disabilities Act (ADA) accessibility guidelines. Pappas said the bill is identical to a CFL bonding request this year. No action was taken on the bill.

Sen. Thomas Neuville (R-Northfield) sponsored S.F. 2463, a bill appropriating \$60,000 from the general fund to purchase and install an online catalog for the Minnesota Library for the Blind and Physically Handicapped. Located at the State Academy for the Blind in Faribault, the library serves blind and handicapped individuals throughout the state, said Jane Toleno, a user of the library. The proposed online catalog will make the library's offerings accessible via computer to all schools and libraries in the state, she said. No action was taken on the bill.

Local and Metropolitan Government Committee

Five bills see action

Five bills were acted upon Mon., Feb. 2, at the Local and Metropolitan Government Committee meeting, chaired by Sen. Jim Vickerman (DFL-Tracy).

S.F. 2119 amends the municipal contracting law by allowing a municipality to use the design-build process for the project design and construction of public facilities. Author of the bill, Sen. Janet Johnson (DFL-North Branch) said S.F. 2119 defines public facilities as including public buildings and playground equipment.

Mark Karnowski, a Lindstrom city administrator, told committee members

that the design build procedure allows the city to have better management and oversight on projects. "The city has saved an average of 15 percent on projects using the design-build bidding process," he added. The bill was recommended to pass and advanced to the Senate floor.

S.B. 2385, also authored by Johnson, authorizes Chisago City to reimburse the town of Wyoming for annexed property in an agreed upon amount under a joint powers agreement. Johnson said the city and town have entered into the agreement for the purpose of establishing a joint commercial and business park in the annexed area.

Gene Patrin, chair of the Wyoming Township Board, said the municipalities have been working on the project for more than a year and have gotten a great deal of support from residents. The bill was re-referred to the Jobs, Energy, and Community Development Committee.

S.F. 2192 authorizes local units of government to form non-profit corporations for the purposes of economic development and related activities. The bill, authored by Sen. Dennis Frederickson (R-New Ulm), requires that before \$100,000 or more is appropriated by a corporation created by the political subdivision, the expenditure must be approved by the governing body that created the entity. The bill was approved sent to the Senate floor.

S.F. 2525, authored by Sen. Charles Wiger (DFL-North St. Paul), allows Ramsey County to include its county owned nursing home as a member of a health care cooperative to participate in group purchasing. Wiger said current law allows group purchasing for hospitals but not nursing homes. "This would allow the county to save money," Wiger said.

The bill was recommended to pass and sent to the Senate floor.

S.F. 2644, also sponsored by Wiger, amends state law allowing municipalities to limit the disclosure of vendor proposals and other documents related to negotiations until negotiations are completed and all bids are received.

Office of Business Planning and Environmental Services Director for the Metropolitan Council Jean Erickson said the Metropolitan Council keeps information private because when bids are opened contractors often under bid projects. "We lose quality because they

are looking at other contractors bids and cutting corners," Erickson said.

Sen. Edward Oliver (R-Deephaven) said that it would be destructive to make the final decision before making the process public. Erickson said before the final decision is made the choice goes before the Metropolitan Policy Board for public comment.

The bill was approved and sent to the Senate Floor.

Local bills approved

The Local and Metropolitan Government Committee met Mon., Feb. 4 and took action on six bills. The committee is chaired by Sen. Jim Vickerman (DFL-Tracy).

S.F. 2654, authored by Sen. Steven Morse (DFL-Dakota), authorizes the city of Winona to impose a sales and use tax up to one-half of one percent. Morse said the bill also authorizes Winona to impose an excise tax of up to \$20 per motor vehicle purchased or acquired from any person in the city of Winona in the business of retailing vehicles. "The revenue from the taxes will be used by Winona to pay the costs of dredging Lake Winona," Morse said.

Morse said the city must put a referendum before the voters before they can go ahead with the new taxes. Morse said the bill was important to Winona because there is little land within the city limits that can be used for industrial development. "Winona will use the material from dredging the lake to fill 72 acres of land in the city that is currently not useable," Morse said.

Sen. Kenric Scheevel (R-Preston) proposed an amendment to set a limit on the amount of money that could be raised from the taxes at \$4 million. "I think it is important that we have a sunset date on these kind of taxes," Scheevel said. The amendment was adopted by voice vote. The bill was recommended to pass and re-referred to the Committee on Taxes.

S.F. 2581 authorizes the Olmsted County Board to fill the office of county auditor/treasurer by appointment. The bill, authored by Sen. Sheila Kiscaden (R-Rochester), also allows the county to designate a department head to perform the functions of the current county auditor/treasurer.

Kiscaden said the person currently serving as treasurer is contemplating

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retirement and because county officials believe they will get increased efficiency from the office if is appointed, they have come before the Legislature. The bill was recommended to pass and referred to the floor.

S.F. 2281, carried by Sen. Pat Pariseau (R-Farmington), adds a section to the Dakota County chapter clarifying that employees of the Housing and Redevelopment Authority (HRA) are not considered employees of the county.

Joe Harris, a Dakota County commissioner, said the change is necessary because of a recent lawsuit filed by a terminated employee claiming age discrimination. He said Dakota County was named as co-defendant along with the county HRA. He added that the lawsuit was later settled out of court. "This bill will clarify that these people are not employees of the county unless the county commission puts it specifically into an ordinance," Harris said. The bill was recommended to pass and sent to the Senate floor.

S.F. 2611, authored by Vickerman, authorizes the Cottonwood County Board to fill the offices of auditor and county treasurer. Vickerman said the people elected to the offices in the 1994 election would continue to perform the duties until completion of the term or a vacancy occurred. He added that the change will be put before voters in a referendum. The bill was recommended to pass and sent to the Senate floor.

S.F. 2645, authored by Sen. Charles Wiger (DFL-North St. Paul), raises the threshold at which affirmative action certificates of compliance are required from the state Department of Human Rights for Metropolitan Council contractors. The new levels are those which were approved by the Legislature in 1997 for state contractors.

Wiger said the bill is recommended by the Human Rights Commission and the state auditor. "I think this will positively affect the ability of the Human Rights Commission to do their job," he added.

Deputy Regional Administrator for the Metropolitan Council Richard Wiger said the state limits were raised to include contracts for goods and services in excess of \$100,000 and for a business with 40 or more employees. He added that the Metropolitan Council has limits of \$50,000 and 20 employees before the affirmative action guidelines are re-

quired. Sen. Claire Robling (R-Prior Lake) said that so many contracts are greater than the threshold that "it is time we cut out some of the paperwork." The bill was recommended to pass and sent to the Senate floor.

S.F. 2685, authored by Vickerman, amends a state law which provides exceptions to the general rule that officers who are authorized to take part in a public contract may not benefit from or have a personal financial interest in the contract. The bill clarifies the exceptions to the prohibition against county officers from bidding on county contracts. S.F. 2685 was recommended to pass and sent to the Senate floor.

Property Tax and Local Government Budget Division

Property tax reform presentations

The Property Tax and Local Government Budget Division continued hearing levy limit and property tax reform presentations from various city, county, and private groups and individuals at the meeting Fri., Jan. 30. According to Division Chair Sandra Pappas (DFL-St. Paul), the panel plans to hold additional hearings on property tax reform and levy limits as members work to develop a legislative proposal.

Remi Stone, representing the League of Minnesota Cities, told the division that levy limits are inefficient, ineffective, interfere with local accountability and ignore local circumstances. She said the imposition of levy limits introduces incentives to increase levies, and that the limits thus become a minimum rather than a maximum. The use of levy limits also penalizes those cities that have attempted to hold their levies down and now cannot meet current needs as a result, she said.

Another problem with levy limits was pointed out by Dana Frey, of the Metropolitan Inter-County Association. He raised the issue of the volatility of the index underlying levy limit calculations. Showing a graph of the index plotted over a 20-year period, he said the index is notable chiefly for its instability. This instability, said Frey, makes long-term planning difficult.

Association of Minnesota Counties representative Don Diddams said that his organization does not have a specific

position on levy limits, but is nevertheless concerned that if the courts and the state continue to increase the demand for county services, counties will not be able to function under levy limit restraints. He said that the association is also concerned that class rate compression could not only weaken the local property tax base, but increase the likelihood of future tax increases on homeowners. He said that offsetting these tax increases through compensatory increases in the education homestead credit and school aid may be unaffordable in the future.

Bill Blazar, of the Minnesota Chamber of Commerce, spoke in support of the Legislature's 1997 property tax reform efforts, and told the division they needed to go even further towards reform. He said that his organization, as well as the almost 70 other chambers of commerce and trade associations that comprise the Property Tax Reform Coalition, supported the 1997 legislation for four reasons. The legislation not only began the "essence of property tax reform," the compression of property tax rates, said Blazar, but it showed as much concern for homeowners as it did for others. The compression of rates provided immediate relief for nonhomestead property classes, increasing homeowner responsibility for new spending, he said, but this increased shift onto homeowners was offset by the education homestead credit, as well as increases in the state's share of K-12 education financing. Because the state increased its share of K-12 education financing, it also linked property taxes to city and county services, the third reason to support the bill, he said. Finally, said Blazar, "the 1997 bill acknowledges there is more reform to be done," by specifying class rate reduction targets and creating the Property Tax Reform Account to finance the transitions to these targets. "We do think '98 is the year to fix the property tax," he said, and urged the division to take advantage of the state's current fiscal condition to further reduce property tax burdens.

U of M Urban Geography and Regional Planning Professor John Adams then appeared before the division to "give a course on how the world works," he said. Presenting a summary of studies addressing Twin Cities regional dynamics, he outlined the general cycle of urban growth and its associated problems. He said that there are a number of factors

causing our society to subsidize suburbanization, such as the deductions on mortgage interest, the ability to shelter capital gains in real estate, and banking regulations that keep home mortgage rates low and business interest rates high. "One result," said Adams, "has been cheap housing and good balance sheets for upper-income suburbanites."

Sen. Gen Olson (R-Minnetrista) asked Adams whether disincentives should be provided for homeownership.

"It's not the incentive, but the size of the incentive," replied Adams. He said that in addition to talking about public "takings" of land, Minnesotans should probably begin to discuss the opposing idea also, that of public "givings." "Everybody likes to get a benefit, but what is the cost of the benefit to the public?" asked Adams, "This is the kind of discussion that needs to take place."

Bill discussions begin

"People are looking for development assistance," said Kris Juliar, director of the Region 9 Development Commission. Speaking in support of S.F. 2297, authored by Sen. Jim Vickerman (DFL-Tracy), she told the Property Taxes and Local Government Budget Division, Wed., Feb. 4, that part of the increasing demand for development assistance can be met by increasing the levy. The bill authorizes increases in the 1998 levy limitations for three regional development commissions, to \$180,000. For taxes levied in 1999 and later years, the maximum allowable levy increase for each of the regions would be 3 percent per year.

S.F. 2074, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls) is "a carryover of legislation passed in last year's second special session," said Stumpf. That bill states that in certain counties the building and land classified as homestead property for the 1997 assessment can keep that designation if the owner's property was abandoned because of the April 1997 floods, and if the county assessor is notified that the owner relocated as a result. S.F. 2074 would clarify that for taxes payable in 1999 and later years, additional notifications are not required if the other requirements are met. Stumpf said that he wanted to extend the notification because many families aren't back in their homes yet.

Sen. Paula Hanson (DFL-Ham Lake) authored S.F. 2116, a bill increasing the city aid base of Oak Grove by \$200,000. City officials of Oak Grove spoke in favor of the bill. Bill Griffith, Oak Grove city attorney, said that since the city incorporated in 1993, expenses of \$200,000 a year have been added to the budget for policing, and the city wants to "get to a level playing field" with other cities. He said the city wants to retain its rural density, but loses tax base as a result. The bill helps compensate for that, said Griffith.

S.F. 2218, a bill authored by Division Chair Sandra Pappas (DFL-St. Paul), gives mortgage registry and deed transfer taxes paid to county treasurers back to the counties in which the taxes were collected. One-third of the taxes must be used for property tax relief, one-third for programs to provide affordable housing, and one-third for geographic information systems, land cleanup and redevelopment, and economic development. Currently, 97 percent of the taxes go to the state general fund, and 3 percent to counties. Ramsey County Commissioner Tony Bennett, speaking on behalf of the bill, said that over \$111 million in deed taxes were collected last year, and the resulting cash flow would help to reduce Ramsey County's reliance on the property tax. Hennepin County Commissioner Peter McLaughlin also said reduced property tax reliance was a benefit of the bill. Another benefit under the bill, he said, is the help the county receives toward brownfield cleanup and various greenway projects, such as the Humboldt or 29th St. Greenways.

S.F. 2135, authored by Sen. Deanna Wiener (DFL-Eagan), allows the deferral of property taxes and special assessments on the Caponi Art Park and Learning Center property located in Eagan. The bill classifies the property as an agricultural homestead. The bill also values the property as if it were green acres property, thus allowing it to qualify for a deferral of special assessments provided under the green acres law.

David Kennedy, president of the park, said that purchase of the park from the owner would be difficult, because of the value of the land. "But we are going to do it," he said. When asked about the fiscal impact, Kennedy said there would be no impact on the state. He said that

there was a small school district impact, but the local school board voted to approve the project. No actions were taken on any of the bills.

State Government Finance

Economy forecast presented

Legislators and the public should begin to change the way they think about the state budget and federal budgets, said economists speaking before the State Government Finance Committee Thurs., Jan 29.

"I think people would have an easier time dealing with the numbers involved if they were to think of the state budget in terms of percentages. Then they could compare the state's savings rate to their own," said William Melton, president of Melton Research, Inc.

Melton spoke, along with Sara Johnson, chief regional economist with Standard and Poor's DRI, and Iris Lav, associate director of the nonprofit Center on Budget and Policy Priorities, in order to present the committee with budget forecasting scenarios. The committee is chaired by Sen. Richard Cohen (DFL-St. Paul).

"The proportional shrinkage in the budget reserve has not been a problem recently, as the economy has enjoyed robust growth. However, we are buying considerably less insurance against a revenue shortfall than we used to do, and at the least we should be clear about why we choose to do so," Melton said. "Making sure we have an adequate budget reserve should really be the top priority," he said. Not doing so is effectively "tying the hands of our successors," he said.

Both Melton and Johnson said that the economy is presently in healthy condition. Melton noted that the nation's unemployment rate in December was the lowest since 1970, at 4.7 percent, and that consumer-level inflation has been at its lowest rate since 1986, decelerating to 1.7 percent. Johnson said that these factors, as well as rising incomes and business investment, record home ownership rates, and a slim federal budget deficit, have in combination produced what she called "the best economy in a generation."

Both, however, noted that the economy cannot sustain its current level of growth, and will slow down in 1998

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and years after. Johnson said that some of the corrective factors confronting Minnesota include the recessions in Asia, labor supply shortages, an eventual stock market correction, heavy consumer debt burdens, and a record low savings rate. Melton said that the growth of profits will be minimal for the next two years, noting that recent cuts in the capital gains tax rate has resulted in large increases in Minnesota's individual income tax receipts, but that the effect is not permanent. He said that after initial surges in capital gains, realizations will eventually taper off. The risk involved with budgeting, he said, is the temptation "to extrapolate the early surge continuing into the future, with dire consequences."

Lav then told the committee how the federal government's budget can be broken down, and spoke on the choices Minnesota would face once the Taxpayer Relief Act of 1997 is fully phased in. Dividing federal spending into discretionary and mandatory classifications, she said that discretionary spending includes defense, domestic and international spending appropriated annually. Discretionary spending makes up about 40 percent of the total federal grants to state and local governments, for things such as transportation, education, water infrastructure, disaster and housing assistance, and community development. Grants for these areas may seem less essential than the mandatory grants to state and local governments for programs such as social security, medicare, unemployment insurance or food stamps, Lav said. She projected that the overall cost of the Taxpayer Relief Act will be almost \$10 billion in 1998 and will reach over \$40 billion by 2007. Minnesota and other states will then be faced with increasing competition for discretionary funds, she said.

Budget forecasting discussed

Members of the State Government Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), heard testimony Fri., Jan. 30, on the impact of regional and state economic factors in budget forecasting.

State Economist Tom Stinson told the assembled Senators that Minnesota is experiencing the best economy in a generation. "Some economists had their doors blown off when we had 3.6 percent growth last year," Stinson said. "Most

only predicted 2.5 to 2.6 percent growth in 1997."

Stinson said one reason for the states increased revenues last year was a 25 percent increase in taxes derived from capital gains. "Fifty percent of the \$1.2 billion surplus is due to the increase in revenues from capital gains," he said.

Stinson added that the real question is what will happen next year. "Our models are telling us that next year revenues will increase," he said. "We could be wrong, but our figures are similar to what other states are predicting."

Stinson said the labor market in Minnesota is very tight. "Six out of every seven people, age 16 to 64, are working so there is not much room for the market to expand," he said.

Cohen asked Stinson where the state is going with revenues and how much money should be put in the state's reserve fund. Stinson said he would put five percent of the state's budget in the reserve fund and added that that figure would total about \$1 billion dollars.

"It is a question of how much insurance you want," Stinson said. "You can't insure yourself for every contingency, so you need to decide how much is enough." He added that if the state continues to have growth, the surpluses will continue.

Senior Vice President and Director of Research at the Minneapolis Federal Reserve, Art Rolnick testified regarding public subsidies for private corporations. He said public subsidies are a negative sum game for governmental units. "It leads to inefficient decisions and takes money from schools and roads while giving money to specific companies," Rolnick said.

Rolnick told the Senators that it would be better for states and cities to keep taxes low on all businesses rather than giving preferential treatment to some. "There is a potential for a serious conflict of interest for politicians," he said.

Rolnick said a simple proposal to level the playing field would be to require any company receiving a direct subsidy from government to declare that subsidy as income. "We need a federal fix to this problem," he said. "The incentive needs to be removed from the equation."

Rolnick said the problem will only get worse if the present trend continues. "In the short term municipalities may see benefits, but in the long term the subsidies war is short sighted."

Committee on Taxes

Technical bills advance

Members of the Committee Taxes met Weds., Feb. 4, to hear four departmental bills and consider approval of the governor's appointment of George W. Perez to the Tax Court. The committee, chaired by Sen. Douglas Johnson (DFL-Tower), approved Perez's appointment.

The Dept. of Revenue technical bill, S.F. 2570, authored by Sen. William Belanger (R-Bloomington), makes numerous technical changes to income, franchise, sales, excise, property, health care provider and gambling taxes. The measure also makes technical changes to tax administrative provisions. Members adopted an amendment that requires explanations be attached to legislative bills that seek to impose program or financial mandates on political subdivisions. The amendment also deleted one article of the bill--relating to the senior citizen property tax deferral program--because the department determined that more work needed to be done on the language. The bill was approved and sent to the full Senate.

S.F. 2266, also sponsored by Belanger, is another departmental bill that recodifies the provisions in the statute relating to petroleum and special fuels taxes. Representatives from the department said the recodification is similar to that done for the portions of the statutes relating to cigarette taxes, charitable gaming taxes and liquor taxes. The bill was also approved and sent to the Senate floor.

S.F. 2263, sponsored by Sen. Don Betzold (DFL-Fridley), makes technical and clarifying changes to tax disclosure provisions. The measure was approved and re-referred to the Judiciary Committee.

Finally, members began discussion on S.F. 2566, the department's technical policy bill. The measure, carried by Sen. Linda Scheid (DFL-Brooklyn Park), makes numerous changes to laws dealing with income, franchise and property taxes. Many of the changes bring the bill into conformity with federal tax law changes enacted within the last year. Johnson said because of the conformity provisions, the measure has a significant revenue impact. He said that the committee should discuss the policy implications of the measure, but that no formal action would be taken on the bill.

Members discussed an amendment refining the senior citizens property tax deferral program but determined that the language was not adequate. The amendment was laid on the table. A second amendment, exempting from sales tax the transfer of title of a travel trailer from the Federal Emergency Management Agency to the state, was adopted. Scheid said the amendment was needed because FEMA is selling the trailers used to house victims of the 1997 floods to the state.

Transportation

Light rail plan discussed

At a joint meeting of the Transportation Committee and the Transportation Budget Division, Mon., Feb. 2, appropriations bills for light-rail transit and for transit-related capital improvements by the Metropolitan Council were discussed. The meeting was chaired by Sen. Janet Johnson (DFL-North Branch) and Sen. Carol Flynn (DFL-Mpls.).

S.F. 2417, sponsored by Flynn, appropriates \$100 million in state transportation bond funds for the engineering, design, and construction of light-rail transit (LRT) in the Hiawatha corridor connecting downtown Minneapolis to the airport and the Mall of America. The state bond funds match federal and other local funding for the four-year, \$400 million LRT project.

The bill also appropriates \$6 million for grants to regional rail authorities. About \$4.5 million will match federal funds to construct two LRT routes, one connecting the East side of St. Paul with the Minneapolis-St. Paul International Airport and the Mall of America, and the other in the Northstar corridor connecting Minneapolis and St. Cloud. About \$1 million is for engineering of commuter rail lines from downtown Minneapolis to the Northwest Hennepin County suburbs and from downtown St. Paul to Hastings. Another \$500,000 is for a study of transit improvements in the Cedar Avenue corridor linking Dakota County with the Hiawatha, Northstar, and Riverview transit corridors.

Sen. Dave Johnson (DFL-Bloomington) and Sen. William Belanger (R-Bloomington) expressed concerns about the impact of making the Mall of America a stop on the Hiawatha LRT line. Johnson said extending the line to the

Mall of America requires the demolition of a lot of homes in East Bloomington. Belanger said he is concerned the Mall of America will be used as a Park-and-Ride by commuters, which will take parking spaces away from mall shoppers.

Representatives from the Mall of America, the Minneapolis Downtown Council, and Capital Cities Partnership in downtown St. Paul expressed enthusiastic support for the light-rail plan. Minnesota AFL-CIO President Bernard Drummer said a light-rail transit system will give workers a better alternative to cars for commuting to their worksites.

A resident of south Minneapolis testified in opposition to the Hiawatha LRT project, on the grounds that it is too expensive to construct and will disrupt the current bus system in south Minneapolis. No action was taken on the bill.

A bill authorizing bonding and a general fund appropriation to the Metropolitan Council for transit-related capital improvements in the Metro Area was also discussed. The Met Council manages the Metro Transit bus service. Authored by Sen. Sandra Pappas (DFL-St. Paul), S.F. 2626 appropriates \$16 million from the general fund to the Metropolitan Council for transit improvements, such as bus purchases and transit stations.

The bill also appropriates \$12 million from the bond proceeds fund for the Metropolitan Council to design and construct a new bus garage for the East Metro Area, replacing the current garage on Snelling Avenue. It appropriates another \$4.5 million to improve the transit control center of Metro Transit in Minneapolis.

In addition to the \$16.5 million in bonding appropriation for items requested by the Met Council, Pappas said she added two other items to the bill. She added a provision for a child care center for the new bus garage, which will be built at the intersection of University Avenue and Lafayette, in St. Paul. She also added a section providing funds to clean up the current bus garage site. The cost of these two additional items is unspecified in the bill. No action was taken.

Transportation fund bill approved

The Transportation Budget Division and Transportation Committee held a joint hearing Tues., Feb. 3, and approved a bill creating a surface transportation

fund. The meeting was chaired by Sen. Janet Johnson (DFL-North Branch) and Sen. Carol Flynn (DFL-Mpls.).

S.F. 2347, sponsored by Flynn, creates a surface transportation fund. The bill specifies that money in the fund may be expended on any surface transportation purpose, including transit capital and operating assistance, rail and waterways, and construction, improvement and maintenance of public highways.

S.F. 2347 dedicates 50 percent of the receipts from the motor vehicles excise tax (MVET) to the surface transportation fund and 50 percent to the general fund. The bill proposes an amendment to the Minnesota Constitution to require at least 25 percent of the proceeds from a sales or excise tax on the purchase of new or used vehicles be spent on surface transportation needs.

The bill appropriates \$106 million from the surface transportation fund to match federal and local funding for the design, engineering and construction of transitways in the Metropolitan Area. There is an appropriation of \$30 million from the surface transportation fund for grants for the construction and reconstruction of bridges. The bill also appropriates \$65.351 million in FY 99 from the surface transportation fund to the Metropolitan Council for transit operations and capital, requires \$16 million of the appropriation to be spent on transit capital purchases and cancels \$49.351 million appropriated in FY 99 from the general fund for transit operations.

Flynn said she decided to narrow the scope of the bill because she "recognized the difficulty in raising the gas tax this year, given the state budget surplus."

Jim Wafler, executive director of the Highway Construction Industry Council, praised Flynn's "political courage" in sponsoring the bill. He said the bill's purpose is to secure an increase in transportation funding. "We have had a large state surplus the last two years, but there has been virtually nothing allocated to transportation. We think there needs to be a shifting of priorities toward transportation," he said. S.F. 2347 was sent to the Senate floor for consideration.

Another bill creating a surface transportation fund was authored by Sen. Mark Ourada (R-Buffalo). Ourada, who presented the bill prior to Flynn's presentation of S.F. 2347, said his

Committee update

motivation for sponsoring the bill was his concern that the trunk highway fund is currently expended in an “unconstitutional manner.” “The trunk highway fund is constitutionally dedicated to construct, maintain, and improve our highway system” but the fund is currently expended on items that don’t serve that purpose, he said.

S.F. 2349 transfers some appropriations and expenditures from the trunk highway fund to a surface transportation fund. The bill says the fund may be expended by appropriation for costs related to any surface transportation purpose, including highway construction and maintenance, transit capital and operating assistance, rail and waterways, the state patrol, motor carrier regulation, driver licensing, transportation safety, and hazardous material transportation.

The bill specifies that 30 percent of the sales tax on motor vehicles (MVET) be credited to the surface transportation fund and 70 percent to the general fund.

Sen. Keith Langseth (DFL-Glyndon) said he thought Ourada’s idea of creating a surface transportation fund was a good one. “I think a lot of the resistance we hear to raising the gas tax is (because) they don’t believe that the money is all going to highways,” he said.

No action was taken on S.F. 2349.

Funding bill heard

The Transportation Budget Division, chaired by Sen. Janet Johnson (DFL-North Branch), and the Transportation Committee, chaired by Sen. Carol Flynn (DFL-Mpls.), heard testimony Weds., Feb. 4, on a bill establishing minimum spending goals for transportation and a bill creating a transit accessibility board.

S.F. 2664, a bill sponsored by Johnson, sets a minimum investment level for transportation, and increases transportation investment in FY 99 by a one time general fund appropriation of \$145 million. The bill includes several other funding and policy reform provisions.

Johnson said the bill was brought to her by the Minnesota Chamber of Commerce. Chamber President Dave Olson testified that investment in transportation is the chamber’s highest legislative priority this year. He said the members of the chamber worked on the proposal with several associations and organizations who share strong concerns about the deterioration of transportation

infrastructure and the reduction of transit services around the state.

The bill sets a minimum investment level for the Dept. of Transportation (MnDOT), requiring that by FY 02 at least \$500 million be appropriated from the trunk highway for trunk highway construction and reconstruction each fiscal year. By FY 99, total state spending for Greater Minnesota public transit must be at least \$15 million for capital improvements and \$17 million for operating assistance each fiscal year. By FY 99, total spending on metropolitan transit must be at least \$32 million for capital improvements and \$60 million for operating assistance each fiscal year.

The bill appropriates \$145 million in FY 99 for transportation investment: \$103 million to MnDOT for construction, improvement, and restoration of highways, and Greater Minnesota public transit operating assistance, and \$42 million from the general fund to the Met Council for regular route transit capital improvements and operating assistance. The bill’s appropriations to MnDOT and the Met Council are in addition to existing appropriations for FY 99.

Other provisions include \$34 million from the state transportation fund and up to \$34 million in bonding for local bridges.

The bill adds to the definition of “prevailing wage” a requirement that all economic benefits paid to or dedicated for workers must be included in the prevailing wage rate. Sherry Munyon of the Minnesota Chamber of Commerce, said the chamber supports the provision, although it has gone on record in the past in favor of repealing the prevailing wage. Carol Lovro of the Association of Minnesota Counties said the association strongly supports the prevailing wage rate provision.

Munyon said the chamber will also support an increase in the fuel tax if it is for maintaining a healthy level of transportation investment.

Johnson remarked that it is unusual for the chamber to support a fuel tax increase. She noted that the provision is not in the Senate bill. Munyon responded that it is in the House bill.

Representatives of several other organizations and associations, such as the Highway Construction Industry Council, the Minnesota Trucking Association, and the Minnesota Rural

Counties Caucus, also testified in support of the bill.

After the testimony, Sen. Dean Johnson (R-Willmar) said, “I suspect there is near unanimity in this room on the need for more transportation investment. But I’ve determined that this is not an emergency situation. This Legislature responds to crises, and the crisis (in transportation) just isn’t great enough.”

No action was taken on the bill.

Members next heard testimony on S.F. 2618, sponsored by Sen. Janet Johnson. The bill creates a Transit Accessibility Board to oversee Metro Mobility, a bus service for riders with disabilities. Metro Mobility has been administered by the Metropolitan Council for the past three years.

Lolly Lijewski, chair of the transit subcommittee, Consortium for Citizens with Disabilities, said that while Metro Mobility has improved over the last few years, there are still serious problems. Many riders are picked up late, or not at all, or are told they can only get a one-way ride, she said. “We think this bill will be able to address those issues,” she said.

Anita Boucher, director of public policy at the Courage Center, said the Metropolitan Council has provided only “minimal planning” for the needs of Metro Mobility riders. “What is needed,” she said, “is a broad view and long-range planning.” She said that by creating a new Transit Accessibility Board responsible for Metro Mobility, the bill provides “a positive alternative to the bandaiding of the past.”

No action was taken on the bill.

Frequently called numbers

Secretary of the Senate	
231 Capitol	296-2344
Voice mail/order bills	296-2343
Information, Senate	
231 Capitol	296-0504
Toll free	1-888-234-1112
Committee Hotline, Senate	
296-8088	
Sergeant at Arms, Senate	
G-1 Capitol/Chamber	296-1119/296-7159
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645 State Office Building	296-3398
Capitol Information Desk	
1st Floor Capitol	296-3962, 296-2739, 297-1503
TTY, Senate	
296-0250	
Toll free	1-888-234-1216

Preview

Monday, February 9

Health and Family Security Budget Division

Chair: Sen. Don Samuelson

8 a.m. Room 15 Capitol

Agenda: S.F. 2107-Berglin: Medical assistance personal care services coverage expansion. S.F. 2157-Sams: Medical assistance, general assistance medical care ambulance service payment increase. S.F. 2233-Samuelson: Medical assistance and general assistance medical care service providers reimbursement rate increases. S.F. 2234-Samuelson: Medical assistance alternative care program spouse asset allowance. S.F. 2401-Samuelson: Boarding care homes medical assistance reimbursement capacity increase. S.F. 2521-Samuelson: Human services provisions modifications. S.F. 2632-Berglin: Medical assistance aged, blind and disabled income eligibility standard increase. The following bills related to nursing home rates will also be heard: S.F. 2184-Janezich. S.F. 2188-Lourey. S.F. 2400-Berglin. S.F. 2542-Kelley, Steve. S.F. 2620-Terwilliger. S.F. 2720-Novak.

Senate is in session at 10 a.m.

Election Laws Committee

Chair: Sen. John Marty

12 noon Room 112 Capitol

Agenda: S.F. 2931-Marty: Campaign finance public right to know. S.F. 708-Marty: Miscellaneous campaign finance provisions.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: S.F. 1589-Langseth: Red River Watershed Management Board. S.F. 2362-Ten Eyck: Modifying membership of the Forest Resources Council. S.F. 2712-Frederickson: Providing for acquisition of critical aquatic habitat, modifying commercial netting provisions. S.F. 2739-Berg: Modifying provisions relating to prohibitions on disposal of motor vehicle anti-freeze.

Judiciary Committee

Chair: Sen. Jane Ranum

12 noon Room 15 Capitol

Agenda: To be announced.

Crime Prevention Committee

Chair: Sen. Allan Spear

2 p.m. Room 15 Capitol

Agenda: S.F. 2495-Kleis: DOC management bill; inmate autopsies; prison space for religious activities; Red Wing exception from juvenile bed cap; expanded use of Camp Ripley weekend camp. S.F. 2498-Kelly, R.C.: Sex offender registration scope, procedures and records. S.F. 2545-Junge: Sex offender registration required for felony indecent exposure. S.F. 2684-Ranum: Penalties and procedures for OFP/minor respondent violations. S.F. 2758-Junge: Expanding victim and public access to juvenile delinquency records; requiring annual report on delinquency dispositions.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman

2 p.m. Room 107 Capitol

Agenda: S.F. 2131-Larson: Fergus Falls local sales tax. S.F. 2239-Kelley: Establishing a critical problems advisory council. S.F. 2660-Morse: Community-based planning advisory council recommendations. S.F. 2689-Kiscaden: Rochester local sales tax. S.F. 2749-Ten Eyck: Bemidji local sales tax. S.F. 2887-Dille: Hutchinson local sales tax.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

5:00 p.m. Room 318 Capitol

Agenda: Department of Natural Resources-capital budget, statewide asset preservation, Office of Facilities Management, state parks. S.F. 2386-Moe: Consolidated DNR area field office in Warroad.

Crime Prevention and Judiciary Budget Division

Chair: Sen. Randy Kelly

6 p.m. Room 112 Capitol

Agenda: To be announced.

Judiciary Subcommittee on Data Privacy and Information Policy

Chair: Sen. Don Betzold

6:30 p.m. Room 107 Capitol

Agenda: Presentation by Anne Barry, Chair of Information Policy Task Force. S.F. 2103-Novak: Arson Task Force. S.F. 2079-Junge: Sex offender registration. S.F. 2259-Johnson, D.H.: Classification and access to BCA conditional release

data. S.F. -Wiger: Classifying certain data as non-public. S.F. 2414-Frederickson: Making certain association information data private. S.F. 2275-Kiscaden: Human Services. S.F. 2795-Ranum: Domestic abuse arrest reports release to victims services organizations. S.F. 2263-Betzold: Tax disclosure. S.F. 2554-Betzold: Data privacy for certain audit information. S.F. 1378-Betzold: Data Privacy Omnibus Bill.

Tuesday, February 10

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

8 a.m. Room 123 Capitol

Agenda: Department of Natural Resources-capital budget.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

8 a.m. Room 5 SOB

Agenda: Virtual bonding tour of several MnSCU campuses.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller

8 a.m. Room 112 Capitol

Agenda: Governor's and state agency bonding recommendations, including residential academies and Faribault State Academies.

Health and Family Security Committee

Chair: Sen. John Hottinger

10 a.m. Room 15 Capitol

Agenda: S.F. 2633-Berglin: DHS health care. S.F. 1615-Marty: Compulsive gambling program. S.F. 2635-Berglin: MinnesotaCare. S.F. 2391-Kiscaden: DHS MinnesotaCare. S.F. 2106-Berglin: MNCare coverage for hearing and language interpreter services. S.F. 2781-Berglin: MA and MnCare in different languages. S.F. 3004-Berglin: Fetal Alcohol Syndrome. S.F. 1984-Wiener: Kidney transplant maintenance drugs. S.F. 2108-Berglin: Lead abatement. S.F. 2509-Hottinger: Crisis Nurseries.

Transportation Committee

Chair: Sen. Carol Flynn

12 noon Room 112 Capitol

Agenda: S.F. 2318-Sams: Personalized license plates for pickup trucks, etc.; S.F. 2820-Robling: Dedicating 30% of motor vehicle sales tax to a major projects fund.

Preview

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

12 noon Room 15 Capitol

Agenda: S.F. 2242-Johnson, D.J.: Ely business technology center. S.F. 1809-Johnson, D.J.: Requiring the commissioner of administration to place a bust of Nellie Stone Johnson in the state capitol. S.F. 2609-Johnson, D.E.: Providing for design-build contracts. S.F. 2447-Sams: Modifying provisions relating to speech-language pathologists, unlicensed mental health practitioners, alcohol and drug counselors, and hearing aid dispensers. S.F. 2775-Hottinger: Constitutional amendment establishing the children's endowment fund. S.F. 2672-Solon: Regulating the public employees insurance program. S.F. 2068-Kelley, S.P.: Providing for the reliability of electronic messages.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams

2 p.m. Room 107 Capitol

Agenda: S.F. 2490-Ourada: Changing food handlers license provisions for first-time and seasonal licenses. S.F. 2704-Beckman: Visitors' center at the MN Agricultural Interpretive Center. S.F. 2048-Stevens: Providing for the Private Property Protection Act. S.F. 2776-Sams: Acquire and better public land and buildings and other public improvements of a capital nature. S.F. 2893-Lourey: Extending the Minnesota grown coupon program.

Commerce Committee

Chair: Sen. Sam Solon

2 p.m. Room 112 Capitol

Agenda: S.F. 2194-Sams: Clarifying Equal Access requirements on health plans. S.F. 2478-Samuels: Maintaining Savings Association Act. S.F. XXXX-Metzen: Regulation of Ephedrine.

Joint Senate House Subcommittee on Claims

Chairs: Sen. Randy Kelly and Rep. Edgar Olson

2:30 p.m. Room 500S State Office Building

Agenda: Claims against the Dept. of Corrections, Dept. of Revenue, Dept. of Administration, Bureau of Criminal Apprehension, Dept. of Labor and Industry, Dept. of Agriculture, Dept. of

Economic Security, Dept. of Human Resources and Dept. of Natural Resources.

Economic Development Budget Division

Chair: Sen. Tracy Beckman

4 p.m. Room 123 Capitol

Agenda: Supplemental budget requests for the following agencies: Mediation Services, Commerce, Public Utility Commission, Public Service Department. S.F. 2422-Beckman: Youth intervention programs. S.F. 2461-Beckman: Youth build program. S.F. 2705-Beckman: Summer youth employment.

Governmental Operations Budget Division

Chair: Sen. Leonard Price

4 p.m. Room 125 Capitol

Agenda: Department of Employee Relations and the Gambling Control Board. Supplemental budget review.

State Government Finance Committee

Chair: Sen. Richard Cohen

4 p.m. Room 107 Capitol

Agenda: Bonding overview; testimony from the Department of Public Safety, Department of Transportation, Department of Natural Resources, Department of Finance, and the Department of Administration.

Taxes Subcommittee on Income and Sales Tax

Chair: Sen. Steve Murphy

4 p.m. Room 15 Capitol

Agenda: Continuation of previous meeting's agenda. S.F. 2526-Runbeck: Changing income tax rates and brackets; repealing the property tax reform account. S.F. 2642-Knutson: Modifying the tax brackets and the alternative minimum tax exemption amount to reduce marriage penalties. S.F. 2443-Olson: Clarifying the taxes included in the moratorium on collection of taxes for solid waste management services.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

6 p.m. Room 107 Capitol

Agenda: S.F. 2189-Lourey: Modifying terms of tax-forfeited land sale. S.F. 2273-Neuville: Authorizing conveyance of state land to the city of Faribault. S.F. 2376-Hottinger: Creating a task force to

study a cost-benefit model for water quality standards. S.F. 2496-Larson: Authorizing public sale of tax-forfeited land that borders public water in Douglas County. S.F. 2756-Novak: Providing penalties for violations of underground storage tank statutes and rules. S.F. 2892-Lourey: Authorizing private sale of public land in Aitkin County.

Wednesday, February 11

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

8 a.m. Room 107 Capitol

Agenda: Continuation of campus capital budget presentations. Supplemental budget allocations.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller

8 a.m. Room 112 Capitol

Agenda: To be announced.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

10 a.m. Room 15 Capitol

Agenda: To be announced.

Transportation Committee

Chair: Sen. Carol Flynn

10:00 a.m. Room 112 Capitol

Agenda: To be announced.

Senate is in session at 12 noon.

Election Laws Committee

Chair: Sen. John Marty

12 noon Room 112 Capitol

Agenda: S.F. 2690-Vickerman: Reducing the Red Rock School Board. S.F. 2105-Marty: Revolving door.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: S.F. 1130-Janezich: Requiring sale of remaining lakeshore land leases, restricting amount of lease rate and rate increases. S.F. 1787-Lessard: Exempting archery bows used for bowfishing from casing requirements. S.F. 2491-Janezich: Authorizing private sale of certain tax-forfeited peat land in St. Louis County. S.F. 3011-Lessard: Prohibiting the taking of white bears. S.F. XXXX-Lessard: Extension of timber sales.

Judiciary Committee

Chair: Sen. Jane Ranum
12 noon Room 15 Capitol
Agenda: To be announced.

Commerce Committee

Chair: Sen. Sam Solon
2 p.m. Room 112 Capitol
Agenda: S.F. 1258-Scheid: Regulating residual liability on nonowned/rental cars. S.F. 2783-Kiscaden: Assessments of proposed health coverage mandates. S.F. 2734-Kleis: Regulating collection agencies, exempting out-of-state companies.

Crime Prevention Committee

Chair: Sen. Allan Spear
2 p.m. Room 15 Capitol
Agenda: S.F. 2356-Johnson, D.H.: Increasing penalties for manufacture, sale and possession of methamphetamine. S.F. 2836-Ten Eyck: Public defender duties, operations and procedures. S.F. 2846-Kelly, R.C.: Delaying the effective date for listing Carisoprodol as a controlled substance. S.F. 2850-Spear: Authorizing use of force by state correctional investigators to apprehend fugitives from state prison. S.F. 2902-Anderson: Allowing interpreters at grand jury proceedings. S.F. 2926-Junge: Probable cause arrest for crosswalk violations; petty misdemeanor for non-driver owners or lessees.

Governmental Operations Budget Division

Chair: Sen. Leonard Price
2 p.m. Room 125 Capitol
Agenda: Department of Military Affairs and Capitol Area Architectural Planning Board. Capital budget review.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman
2 p.m. Room 107 Capitol
Agenda: To be announced.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse
4 p.m. Room 107 Capitol
Agenda: DNR capital budget.

Property Taxes and Local Government Budget Division

Chair: Sen. Sandra Pappas
4 p.m. Room 15 Capitol
Agenda: S.F. 1695-Lessard: Reducing

class rate for property bordering public water. S.F. 2121-Oliver: TIF, Deephaven. S.F. 2141-Larson: TIF, Douglas. S.F. 2218-Pappas: Mortgage deed tax proceed to counties. S.F. 2229-Oliver: Seasonal recreation property tax reductions. S.F. 2388-Langseth: Border city development zones. S.F. 2527-Pappas: Use of Property Tax Reform Account (elimination of transit levy).

Transportation Budget Division

Chair: Sen. Janet Johnson
4 p.m. Room 318 Capitol
Agenda: S.F. 2222-Moe, R.D.: Authorizing the issuance of state trunk highway bonds for replacement and reconstruction of key bridges on the state trunk highway system. S.F. XXXX-Johnson, J.B.: Met Council transit vehicle replacement in the metro area and in Greater Minnesota. S.F. XXXX-Johnson, J.B.: Transit operating assistance for metro and Greater Minnesota.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams
6 p.m. Room 112 Capitol
Agenda: S.F. 2578-Berg: Prohibiting municipalities from exercising certain regulatory authority over feedlots. S.F. 2622-Scheevel: Providing for denial of certain permits. S.F. 2813-Dille: Restricting township zoning ordinances affecting feedlots. S.F. 2970-Beckman: Establishing a moratorium on the construction of certain large livestock feedlots. S.F. XXX-Sams: Adding requirements for manure storage structures. S.F. 2448-Sams: Providing for collection of a milk handling tax and distribution of the proceeds.

Crime Prevention and Judiciary Budget Division

Chair: Sen. Randy Kelly
6 p.m. Room 118 Capitol
Agenda: To be announced.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen
6 p.m. Room 107 Capitol
Agenda: To be announced.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf
6 p.m. Room 318 Capitol
Agenda: To be announced.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse
7 p.m. Room 125 Capitol
Agenda: Department of Natural Resources-capital budget.

Thursday, February 12

Senate is in session at 8 a.m.

Health and Family Security Committee

Chair: Sen. John Hottinger
10 a.m. Room 15 Capitol
Agenda: S.F. 2697-Samuelson: GRH homeless adult pilot project. S.F. 481-Lourey: Medical Assistance rehabilitative and therapeutic services coverage. S.F. 2355-Lourey: Nursing home record keeping. S.F. 2455-Lourey: Medical Assistance payment rate increases for ICFMRs. S.F. 2025-Samuelson: Nursing home provider payments. S.F. 2425-Hottinger: Nursing home staffing. S.F. 2861-Hottinger: Automatic external defibrillators. S.F. 2276-Knutson: Child support enforcement. S.F. 2669-Hottinger: Allowing greater use of arrangements with business when providing day training and habilitation services.

Agriculture and Rural Development Committee

Chair: Sen. Dallas Sams
12 noon Room 107 Capitol
Agenda: Continuation of bills from February 11th meeting.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen
12 noon Room 15 Capitol
Agenda: To be announced.

Transportation Committee

Chair: Sen. Carol Flynn
12 noon Room 112 Capitol
Agenda: To be announced.

Commerce Committee

Chair: Sen. Sam Solon
2 p.m. Room 112 Capitol
Agenda: S.F. 2274-Solon: Omnibus Liquor Bill, containing the following bills: (S.F. 2274- Solon: regulating malt liquor sampling, adding brewers. S.F. 2193-Solon: Hours of off-sale liquor in Canosia township. S.F. 2232-Ten Eyck:

Preview

Modifying liquor license restrictions. S.F. 2257- Frederickson: Temporary on-sale liquor license. S.F. 2454-Wiener: Additional liquor licenses in Eagan. S.F. 2694-Janezich: Additional liquor license in Virginia. S.F. 2668-Pappas: Modifying temporary on-sale liquor license combinations. S.F. 2855-Piper: Additional liquor licenses for Albert Lea. S.F. 2883-Hottinger: Township mutuals, regulating farm risks.

Transportation Budget Division

Chair: Sen. Janet Johnson

4 p.m. Room 107 Capitol

Agenda: S.F. XXXX-Johnson, J.B.: Supplemental budget bill.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen

6 p.m. Room 318 Capitol

Agenda: To be announced.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

6 p.m. Room 125 Capitol

Agenda: DNR capital budget.

Transportation Committee

Chair: Sen. Carol Flynn

6:00 p.m. Room 112 Capitol

Agenda: To be announced.

Crime Prevention Committee

Chair: Sen. Allan Spear

7:30 p.m. Room 15 Capitol

Agenda: S.F. 2151-Junge: Authorizing the certification of juveniles by prosecutors without a court ruling for certain violent and repeat non-violent offenses. S.F. 2199-Johnson, D.H.: Regulation of bail bond enforcement agents. S.F. 2587-Kelly, R.C.: Expanding scope of crimes committed for benefit of a criminal gang to crimes motivated by gang involvement. S.F. 2594-Foley: Juvenile court authority over adults in delinquency cases. S.F. 2801-Johnson, DJ: Providing for a guilty but mentally verdict.

Friday, February 13

Children, Families and Learning Committee

Chair: Sen. Pat Piper, Sen. Lawrence Pogemiller and Sen. LeRoy Stumpf

8 a.m. Room 15 Capitol

Agenda: S.F. XXXX-Stumpf: Higher

Education Budget Division supplemental bill. S.F. 2532-Piper: Family and Early Childhood Education Budget Division supplemental bill. S.F. XXXX-Piper: Family and Early Childhood Education Budget Division capital budget bill. S.F. 2413-Higgins: Minnesota family asset initiative.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf

8:30 a.m. or following full CFL meeting,

Room 107 Capitol

Agenda: MnSCU capital budget.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller

8:30 a.m. or following full CFL meeting,

Room 112 Capitol

Agenda: To be announced.

Health and Family Security Committee

Chair: Sen. John Hottinger

10 a.m. Room 15 Capitol

Agenda: Bills passed from other committees.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard

12 noon Room 107 Capitol

Agenda: To be announced.

Judiciary Committee

Chair: Sen. Jane Ranum

12 noon Room 15 Capitol

Agenda: To be announced.

Crime Prevention Committee

Chair: Sen. Allan Spear

2 p.m. Room 15 Capitol

Agenda: S.F. 2161-Krentz: Increasing the penalty for drive-by shooting at an occupied vehicle. S.F. 2595-Foley: Increasing penalties for defendant's failure to appear for trial, subpoenaed witness' failure to appear in cases involving crimes of violence. S.F. 2695-Johnson D.H.: Clarifying prior crimes for enhanced gross misdemeanor theft. S.F. 2869-Betzold: Changing requirements for judicial review of DWI license revocations and petitions seeking judicial expungement of criminal records.

Property Taxes and Local Government Budget Division

Chair: Sen. Sandra Pappas

2 p.m. Room 107 Capitol

Agenda: To be announced.

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Party	Phone	Name	Room	Dist.	Party	Phone	Name	Room	Dist.
DFL	296-5537	Anderson, Ellen R.	G-24 Cap.	66	DFL	6-5645	Marty, John	325 Cap.	54
DFL	6-5713	Beckman, Tracy L.	124B Cap.	26	DFL	6-4370	Metzen, James P.	303 Cap.	39
R	6-5975	Belanger, William V.	113 SOB	41	DFL	6-2577	Moe, Roger D.	208 Cap.	2
IND	6-5094	Berg, Charles A.	G-51 SOB	13	DFL	6-5649	Morse, Steven	G-24 Cap.	32
DFL	6-4261	Berglin, Linda	309 Cap.	61	DFL	6-4264	Murphy, Steve	301 Cap.	29
DFL	6-2556	Betzold, Don	306 Cap.	48	R	6-1279	Neuville, Thomas M.	123 SOB	25
DFL	6-5931	Cohen, Richard J.	317 Cap.	64	DFL	6-4334	Novak, Steven G.	322 Cap.	52
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R	6-4131	Dille, Steve	103 SOB	20	R	6-1282	Olson, Gen	119 SOB	34
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DFL	6-4274	Flynn, Carol	120 Cap.	62	DFL	6-1802	Pappas, Sandra L.	120 Cap.	65
DFL	6-4154	Foley, Leo T.	G-9 Cap.	49	R	6-5252	Pariseau, Pat	109 SOB	37
R	6-8138	Frederickson, Dennis R.	139 SOB	23	DFL	6-9248	Piper, Pat	G-9 Cap.	27
DFL	6-3219	Hanson, Paula E.	328 Cap.	50	DFL	6-7809	Pogemiller, Lawrence J.	235 Cap.	59
DFL	6-9246	Higgins, Linda I.	227 Cap.	58	DFL	7-8060	Price, Leonard R.	235 Cap.	57
DFL	6-6153	Hottinger, John C.	120 Cap.	24	DFL	7-8061	Ranum, Jane B.	306 Cap.	63
DFL	6-8017	Janezich, Jerry R.	328 Cap.	5	R	6-4314	Robertson, Martha R.	125 SOB	45
DFL	6-9261	Johnson, Dave	111 Cap.	40	R	6-4123	Robling, Claire A.	151 SOB	35
R	6-3826	Johnson, Dean E.	117 SOB	15	R	6-1253	Runbeck, Linda	107 SOB	53
DFL	6-8881	Johnson, Douglas J.	205 Cap.	6	DFL	7-8063	Sams, Dallas C.	328 Cap.	11
DFL	6-5419	Johnson, Janet B.	G-9 Cap.	18	DFL	6-4875	Samuelson, Don	124 Cap.	12
DFL	6-2889	Junge, Ember R.	205 Cap.	46	R	6-3903	Scheevel, Kenric J.	129 SOB	31
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R	6-4848	Kiscaden, Sheila M.	135 SOB	30	DFL	6-4191	Spear, Allan H.	120 Cap.	60
R	6-6455	Kleis, Dave	143 SOB	16	R	6-8075	Stevens, Dan	105 SOB	17
R	6-4120	Knutson, David L.	133 SOB	36	DFL	6-8660	Stumpf, LeRoy A.	G-24 Cap.	1
DFL	6-7061	Krentz, Jane	235 Cap.	51	DFL	6-4913	Ten Eyck, David J.	G-24F Cap.	4
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R	6-4125	Lesewski, Arlene J.	131 SOB	21	DFL	6-6820	Wiger, Charles W.	325 Cap.	55
DFL	6-4136	Lessard, Bob	111 Cap.	3	Capitol address: 75 Constitution Avenue				
R	6-2159	Limmer, Warren	127 SOB	33	State Office Building address: 100 Constitution Avenue				
DFL	6-0293	Lourey, Becky	G-9 Cap.	8	St. Paul, MN 55155				

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Photo by David J. Oakes.

February 13, 1998

Senate Highlights

Residential academies discussed

The K-12 Budget Division met Weds., Feb. 11, and discussed the governor's bonding proposal to fund start-up costs for residential academies.

Sen. David Knutson (R-Burnsville) is the sponsor of the bill, S.F. 2100, which appropriates bonding funds for grants to public or private organizations to establish residential academies for students in grades 7 to 12. Knutson said, "This bill really comes from the heart of Governor Carlson," who was once a student himself at a residential academy in New York State.

The bill requires a residential academy to provide students with a secondary education that results in increased school attendance and academic achievement, enables students to earn a diploma, and improves the transition to post-secondary education. Knutson said, "This proposal is designed for at-risk kids, and kids from lower-income families, who have fallen through the cracks of society." The bill specifies that qualifying students demonstrate a likelihood of academic success and either perform or risk performing below the academic level of students of the same age, are at least one year behind in completing coursework or obtaining

graduation credits, or experience homelessness or an unstable home environment.

Hennepin County Commissioner Mike Opat said the county board is interested in developing a residential academy. "At any one time, there are about 1,000 kids who have Hennepin County as their parent. For about 100 of those kids, we don't have a good option," he said. Opat said Hennepin County envisions that its residential academy students will probably be teenagers for whom parental rights have been terminated and who have experienced many failed foster homes. "What these kids need is stability, structure and education, and at a reasonable cost. We think a residential academy can work," he said.

Dr. David Sanders of Children and Family Services, Hennepin County, said the target cost for a residential academy in Hennepin County is about \$100 per student per day. Currently, Hennepin County spends about \$260 per student per day on kids who are in its custody, he said.

Doug Goke of St. Joseph's Home for Children testified in favor of the proposal. He said, "In 1996, 246 youths in Hennepin County were admitted 7 or

more times to a homeless shelter. Those are the children we've identified would be best served by a residential academy."

Two graduates of Girard College, a residential academy in Philadelphia, also testified on behalf of the bill. John Cunningham, former president and CEO of the Cunningham Group, said "Girard was a marvelous place for me to attend." He told members, "The question you need to ask yourselves is, would you rather spend money on a student or later, on a prisoner?"

Several Senators spoke about their recent visits to residential academies in Mississippi and Pennsylvania. Knutson said he was impressed by the high degree of caring shown by staff for the children at Piney Woods Country Day School in Mississippi. Sen. Kenric Scheevel (R-Preston), who visited Hershey Academy and Scotland Academy in Pennsylvania, described the spacious, rural setting of the schools, and students' rigorous schedules as positive aspects of those academies. He said the biggest challenge for the state in developing the idea for residential academies is the question of whether the state will have the long-term vision and funding to keep the academies going. He said the Hershey Academy spends about \$50,000 per student per year, and the Scotland Academy spends about \$25,000 per student per year. Division Chair Lawrence Pogemiller (DFL-Mpls.) said S.F. 2100 will be considered along with the other K-12 bonding proposals next week.

Sen. Sandra Pappas (DFL-St. Paul) presented S.F. 2732, a bill appropriating \$350,000 for a grant to a nonprofit agency representing private alternative schools. The appropriation supports the Unlimited Possibilities Plan for transition from secondary school to college or gainful employment. The bill requires an equal match of funds from nonpublic sources. Pappas said the private alternative schools have contracts with school districts to serve at-risk students. She said the alternative schools are in a disadvantaged funding situation, which has been offset to a degree by private foundation grants. Bob Jibben, director of the Mpls. Federation of Alternative Schools, said the bill provides funding for transition services to help students go from school to work and for capital needs such as computers and science equipment. S.F. 2732 was laid over for further

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consideration by the division after the supplemental budget target is determined.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored S.F. 2764, a bill appropriating \$500,000 in grants for alternative programs and area learning centers to implement graduation standards. The bill requires the CFL commissioner to award up to 20 grants of up to \$20,000 each, to alternative programs, including area learning centers, contract alternative schools, correctional institutions, and homeless shelters.

Steven Allen of the Oakland Area Learning Center said the number of students in Minnesota attending alternative schools and area learning centers was about 4,500 in the 1988-89 school year, but grew to about 60,500 students by 1996-97. He said the problem in implementing graduation standards at alternative programs is the high mobility and transience of their students. He said it is not uncommon for their students to attend five schools in five months. S.F. 2764 was approved for further consideration by the division after the supplemental budget target is determined.

Stadium bill approved

A bill proposing a plan to keep the Minnesota Twins in Minnesota and build a new baseball stadium received what no previous baseball stadium proposal has -- approval from the Local and Metropolitan Government Committee. The committee, chaired by Sen. Jim Vickerman (DFL-Tracy) heard the bill, S.F. 3081, sponsored by Sen. Roy Terwilliger (R-Edina), at an evening meeting Tues., Feb. 10.

Terwilliger said the stadium under his proposal is smaller than previous plans -- seating only 40,000 fans and consisting of three decks rather than four. But, Terwilliger said, it still has the same amenities and the quality is not reduced.

In outlining the financing of the stadium construction, Terwilliger said that the bill authorizes the Metropolitan Council to sell \$138 million in bonds. The bonds will be repaid with a combination of a two percent income tax on players' and managers' salaries, parking fees, two dedicated lottery games, rent paid by the Twins for use of the stadium, naming rights, seat licenses, advertising revenues, and stock to be purchased by the community.

The bill also requires current Twins owner Carl Pohlad to donate the team to a charitable foundation, according to Terwilliger. He said that the foundation will in turn sell stock in the team to people in the community within five years. The team must also sign an irrevocable 30 year lease on the new stadium and may not move out of the state without the permission of 80 percent of the stockholders, Terwilliger said. He added that the reason he brought another proposal to the Senate is because Minnesotans don't want to lose Major League Baseball.

Metropolitan Sports Facilities Commission Executive Director Bill Lester said the bill was drafted to address objections voiced by the Legislature to previous stadium proposals, and not to meet the requirements of Carl Pohlad. He said that the purpose of the bill is to give the Legislature a chance to keep the Twins in the state. Terwilliger added that, although the Pohlad family has been informed of the provisions in the bill, they can't indicate their receptivity to it because they are under a letter of intent to sell the team to North Carolina businessman Don Beaver.

Sen. Gen Olson (R-Minnetrista) asked questions about who has the responsibility for the Twins' debt. Lester replied that the Pohlads will assume both the existing debt and any other that may be incurred while the charitable foundation owns the team. He said that when the foundation sells the team to stock holders, any profit the foundation makes from the sale will first go to pay off the Pohlads' debt, then to the benefit of the foundation. Lester said it is assumed that the team will appreciate in value so the resale amount should be greater than the value at the time of the donation.

The proposal received statements of support from Hennepin County Commissioner Peter McLaughlin, Minneapolis Downtown Council President Sam Grabarski, Minnesota AFL-CIO Building Trades Chair Ray Waldron, Minnesota Teamsters President Don Gerdesmeier and Greater Minneapolis Chamber of Commerce President John Bergford. After making minor technical amendments, the committee sent the bill to the Committee on Taxes on a voice vote.

Earlier, the committee heard S.F. 2239, authored by Sen. Steve Kelley (DFL-Hopkins), proposing an advisory council

to study five critical issues facing the Metro Area. Kelley said that the five critical issues are education, work force development, concentrations of poverty, affordable housing and land use policy. He said that although there have been numerous previous studies on the issues, the studies have tended to study each problem independently and ignored the linkages between the problems.

Kelley said that his bill proposes an advisory council to develop strategies for the Metro Area to address the five problems as a region, not as separate units of government. In addition, he said, the bill requires the establishment of long and short term measurable goals. He said that everyone is in favor of a zero percent school drop out rate, but no one has a plan to say where those figures should be three or five years into a plan. Kelley added that the advisory council has a sunset on its existence.

Sen. Carol Flynn (DFL-Mpls.) was critical of the bill. She said that the responsibilities being assigned to the advisory council rightfully belong to the Metropolitan Council. She argued that when smaller groups develop plans, they don't coordinate their plans with other groups very well. Flynn said that people won't ever trust the Met Council if the council is never allowed to do its job.

Kelley countered by saying that the Met Council doesn't have the necessary expertise in the education field. He said that the advisory council will be assisted by Met Council staff, but will get input from outside experts.

Sen. Edward Oliver (R-Deephaven) asked why transportation was omitted from the list of critical issues. Kelley said that the five problems listed in the bill were his own personal choices and he believed that addressing the transportation issue could be a strategy in addressing the enumerated five. Kelley said that he was more concerned that the Legislature debate how to go about solving the problems rather than which five problems are the most critical.

Criticism was also voiced by Sen. Charles Wiger (DFL-North St. Paul). He said the bill proposes micro-management and the Met Council has already studied the linkages between the problems. Kelley's motion to approve the bill and send it to the Jobs, Energy and Community Development Committee failed on a voice vote.

Committee update

Agriculture and Rural Development

Fruit juice labeling discussed.

"We've let the cat out of the bag now," Dennis Courtier told the Agriculture and Rural Development Committee on Thurs., Feb. 5, regarding the labeling of unpasteurized fruit juice or cider. S.F. 2649, authored by Sen. Charles Wiger (DFL-North St. Paul), requires all wholesale and retail manufacturers or processors of unpasteurized fruit juice or cider to ensure that the term "unpasteurized" is on any containers or bulk dispensers of juice. The bill also requires one of three warning labels on the unpasteurized products, and sets minimum refrigeration requirements.

"Now that the issue has been raised, we can't plead ignorance" if someone becomes ill from an unpasteurized product, said Courtier, a representative from Pepin Heights Orchard, Inc. Courtier said that he was speaking against the bill because he felt the bill does not offer enough regulation of unpasteurized products.

Charles Clemmer, assistant director for the Dept. of Agriculture's inspection division, said that the health problems associated with unpasteurized fruit juice go back many years, and are highlighted by recent deaths in some Western states. "We want consumers to be able to make an educated choice," he said.

Several Senators expressed concern about the bill. Sen. Steven Morse (DFL-Dakota) said that the Dept. of Agriculture waited too long to start the Form A notification process. He said the bill has too large an impact on the industry for the committee to make a decision, without getting more citizen input on the bill.

Sen. Charles Berg (IND-Chokio) said that the bill goes much further than any current legislation. He said that the committee should wait to act on the bill until after the FDA introduces new rules on pasteurizing, expected later this year. A motion to lay the bill over was approved.

The committee then heard bills appropriating funds for agricultural research and for expanding a grant program for agricultural marketing ventures.

S.F. 2875, authored by Sen. LeRoy

Stumpf (DFL-Thief River Falls), appropriates \$500,000 for the U of M for canola promotion efforts. The bill gives the U of M funds for the research and demonstration of canola production techniques at a Minnesota canola production center, for the registration of agricultural chemicals for use with canola, and for coordinating Minnesota and Canadian canola research and production efforts.

S.F. 2807, authored by Sen. Dean Johnson (R-Willmar), appropriates \$315,000 to the U of M to fund research on turkey respiratory disease control and prevention. S.F. 2837, authored by Sen. Cal Larson (R-Fergus Falls), appropriates \$250,000 for the U of M to fund wheat and barley scab research. All three bills appropriating funds for U of M research were recommended for approval and referred to the Higher Education Budget Division.

S.F. 2341, authored by Sen. Tracy Beckman (DFL-Bricelyn), appropriates \$200,000 for the Dept. of Agriculture to expand a grant program for livestock and dairy processing and marketing ventures to include all other agricultural commodities except ethanol. The bill also defines 'agricultural product processing facility,' and allows money appropriated last session to be used for the grants, until June 30, 2001. Stating that programs like this can pay the public back many times over, Morse made the motion to recommend the bill to pass. The motion was approved and the bill was referred to the Environment and Agriculture Budget Division.

Property protection bill gains

A bill designated the Private Property Protection Act dominated the Tues., Feb. 10, meeting of the Agriculture and Rural Development Committee. The measure, S.F. 2048, authored by Sen. Dan Stevens (R-Mora), provides that it is the policy of the state that when state and local regulatory programs reduce the market value of private property and do not, through their implementation, abate a public nuisance affecting the public health, safety or general welfare, it is fair and appropriate that the state or the locality compensate the property owner for the loss in market value. Stevens said that the bill is a recognition of the rights of property owners who have the value of their property reduced through actions of

the state or local government. The bill also specifies that whenever a regulatory program operates to reduce the fair market value of property for the uses permitted at the time the owner acquired the title, the property has been "taken" for the use of the public and that the owner may require condemnation by the governmental unit and receive just compensation from the governmental unit. Under the bill the decrease in value must be at least ten percent of the fair market value or \$7,500. The measure also prohibits governmental units from requiring a landowner to waive the provisions of the bill as a condition for approval of the use of the property or issuance of any permit.

Supporters of the bill argued that the measure guarantees the constitutional provision that specifies "private property shall not be taken, destroyed or damaged for public use without just compensation therefor, first paid or secured." In addition, supporters said that increasing regulation, particularly for wetlands preservation, invaded their rights as private property owners.

Representatives from the League of Minnesota Cities and the Coalition for Greater Minnesota Cities spoke against the bill. They said that though it is important to raise the issue of balancing public purposes and private owners' rights, the bill will result in even more litigation.

The measure was approved and referred to the Environment and Agriculture Budget Division.

The committee, chaired by Sen. Dallas Sams (DFL-Staples), approved several additional bills. S.F. 2490, authored by Sen. Mark Ourada (R-Buffalo), changes food handlers license provisions for food processors or manufacturers operating only at the state fair or a county fair. The measure also sets forth a new licensing category and sets a license fee of \$125. The measure was approved and sent to the full Senate. S.F. 2704, carried by Sen. Tracy Beckman (DFL-Bricelyn), authorizes state bonds for an appropriation for the visitors' center at the Minnesota Agriculture Interpretive Center. The measure was also approved and referred to the Environment and Agriculture Budget Division. S.F. 3065, carried by Sen. Becky Lourey (DFL-Kerrick), establishes the Minnesota Grown community food pilot program

and sets forth the programs' components. The bill was also referred to the Environment and Agriculture Budget Division.

Feedlot bills heard

The feedlot issue was once again the focus of discussion at the Weds., Feb. 11, meeting of the Agriculture and Rural Development Committee.

Much of the debate centered on a bill, S.F. 2970, authored by Sen. Tracy Beckman (DFL-Bricelyn), instituting a two year moratorium on the construction of livestock feedlots. Proponents argued that time is needed to come up with solutions to the concerns of local residents and local governments. Proponents also said that social, community and environmental concerns are driving the move toward a moratorium. Opponents said that a moratorium would be harmful to a vital part of the state's agricultural industry. The bill was laid over indefinitely.

The committee, chaired by Sen. Dallas Sams (DFL-Staples), heard several other bills dealing with the feedlot issue. S.F. 2813, sponsored by Sen. Steve Dille (R-Dassel), prohibits townships from enacting a zoning ordinance over feedlots that is stricter than an applicable county ordinance covering feedlots within the township. The bill failed to gain committee approval. S.F. 2578, authored by Sen. Charles Berg (IND-Chokio), prohibits municipalities from enacting, or enforcing a zoning ordinance that prohibits or impedes feedlot construction or expansion. The measure was laid on the table. S.F. 2815, authored by Dille, expands the purposes of the value-added agricultural product loan program, modifies requirements for environmental review of proposed feedlots and appropriates \$3 million to set up a livestock development program in the Dept. of Agriculture. Dille successfully moved to delete the appropriations from the bill and send that portion of the bill to the Environment and Agriculture Budget Division. The remainder of the bill was amended into S.F. 3109, the omnibus agriculture bill.

S.F. 3109, authored by Sams, adds requirements for manure storage structures, requires a report on manure applicator training, requires a generic environmental impact statement (GEIS) on feedlots and establishes a voluntary rural dispute resolution procedure. The

omnibus bill was laid over for further amendments.

Earlier, committee members also discussed S.F. 2776. The bill, sponsored by Sams, appropriates money for a turf and grounds research and education center at the Rosemount experiment station. The measure was temporarily laid on the table.

Commerce

Reinsurance bill approved

Five bills were approved at a Thurs., Feb. 5 meeting of the Commerce Committee, chaired by Sen. Sam Solon (DFL-Duluth).

S.F. 2262, authored by Sen. Steven Novak (DFL-New Brighton), changes the requirements of reinsurance intermediary-brokers who invest insurers' funds in a fiduciary capacity. Under current law, all funds in an insurer's account that are held in a fiduciary capacity by a reinsurance intermediary-broker (RB) must either be held in a qualified U.S. financial institution, or invested in direct obligations of, or obligations guaranteed or insured by, the United States, its agencies, or its instrumentalities, excluding mortgage-backed securities. S.F. 2262 allows an RB to also invest an insurer's funds in highly-rated corporate bonds, if the insurer gives prior authorization.

Donna Hager of E. W. Blanch, said the bill allows reinsurers greater flexibility and liquidity in investing insurers' money. Greg Fontaine of the Dorsey and Whitney law firm, emphasized that the increased flexibility is allowed only when authorized by the insurer.

Charles Neville of the Commerce Department, said the department doesn't oppose the bill, but it doesn't support the bill either, because the bill does not conform to NAIC model language, which requires reinsured money to be invested in bank accounts.

Pete Thrane of the St. Paul Companies, testified against the bill, saying, "this represents a step back from Minnesota's solvency laws, which are among the toughest in the nation." He said the bill puts the reinsurer in the position of having to take greater risk on the investment of the insurer's funds. The reinsurer is at risk to the insurance company, which is then at risk to policy holders, he said.

Novak acknowledged that he hadn't

discussed the bill with all interested parties before presenting it to the committee. He said that if the committee approves the bill and sends it to the Senate floor, he will talk with all the parties involved and work out a mutually agreeable solution. S.F. 2262 was approved and sent to the Senate floor.

The committee next heard S.F. 2293, a bill authored by Solon, allowing township mutual insurance companies to invest in demand or time deposits or savings accounts in federally insured depositories located in any state. Under current law, township mutual insurance companies may invest only in depositories in the state of Minnesota. Marcus Marsh of the Minnesota Association of Farm Mutual Insurance Companies, said township mutual insurance companies insure about 80 percent of farm families in Minnesota. By allowing these companies to invest in depositories outside Minnesota, the bill will enable them to get a better return on investment, he said. He said the Commerce Department supports the bill. S.F. 2293 was approved and sent to the full Senate. Sen. Steve Kelley (DFL-Hopkins) presented a bill to enact the Uniform Unclaimed Property Act of 1995, which was promulgated by the National Conference of Commissioners on Uniform State Laws. Kelley said S.F. 533 is "a new codification of existing statute that hasn't been looked at for quite some time." S.F. 533 was approved and re-referred to the Jobs, Energy, and Community Development Budget Division.

The committee approved S.F. 2659, a bill adopting language from the NAIC proposed Investments of Insurers Model Act and Derivative Instruments Model Regulation to allow life insurers to invest in derivatives. The language was passed by the Senate last year in the omnibus insurance bill, according to the bill's author, Sen. Deanna Wiener (DFL-Eagan). The bill also tightens the definition of "chronically ill individual" for purposes of qualified long-term care insurance policies. S.F. 2659 was approved and recommended to pass.

Novak presented S.F. 2267, a bill regulating terminations of self-insurance authority and commercial workers' compensation self-insurance groups. Novak said the bill was designed to correct some oversights in a bill that was part of the omnibus bill last year. With-

Committee update

out discussion or testimony, S.F. 2659 was recommended to pass and sent to the Senate floor.

Health care bills heard

Health care and insurance bills made up most of the Commerce Committee's agenda Tues., Feb. 10.

S.F. 2194, authored by Sen. Dallas Sams (DFL-Staples), establishes an ad hoc advisory panel convened by the commissioners of health and commerce. Under the bill, the panel will help the commissioners develop measures to end discrimination against health care providers and health care provider groups, and will report the measures to the Legislature by November 15, 1998. The bill was recommended to pass and re-referred to the Health and Family Security Committee.

S.F. 3032 regulates the investments of certain insurers. Sen. Deanna Wiener (DFL-Eagan), the author of the bill, said that the bill specifies the amount of minimum financial security needed by insurers. The bill also weighs out the requirements insurers must meet to comply with the law, limits classes of investments, and prohibits investing in investments prohibited by law. Sen. Edward Oliver (R-Deephaven) said that the bill "brings insurance companies in Minnesota in line with other states, and increases the flexibility of our insurers to compete at a national level." The bill was recommended to pass and sent to the floor.

S.F. 3092, authored by Sen. James Metzen (DFL-South St. Paul), regulates the drug ephedrine. "This is a common sense bill aimed at stopping the abuse of the product," said Metzen. The bill requires the dispensing of ephedrine through prescription, and restricts the sale, marketing, and possession of the drug. Steven Mister, attorney for the Nonprescription Drug Manufacturers Association, said that the bill takes a product being abused and limits the methods by which it can be marketed. He said the drug can cause heart palpitations, headaches, and possibly a hemorrhage or stroke. "I don't want to create a panic about ephedrine. It's approved by the FDA, safe and effective, and proven to work." He said that people buy the drug in large quantities to make into other drugs, like methamphetamine. The bill makes the intent to buy the drug to create methamphetamine a misde-

meanor, he said. The bill was recommended to pass and re-referred to Health and Family Security Committee.

S.F. 2478, authored by Sen. Don Samuelson (DFL-Brainerd), maintains the Savings Association Act. The bill repeals the previously passed repealer, said Samuelson. The bill was recommended to pass and be placed on the Consent Calendar.

Drivers' safety courses debated

The Commerce Committee recommended four bills for passage and referral at their Weds., Feb. 11 meeting. Two of the bills relate to automobile insurance premiums.

S.F. 2245, authored by Sen. Douglas Johnson (DFL-Tower), reduces insurance premiums for the completion of an accident prevention course. Johnson said that he is increasingly frustrated by the numbers of newly restrictive laws and regulations people face, and wanted to loosen up current restrictions for accident prevention courses to give everyone an insurance discount for taking such courses.

Representatives from the Dept. of Public Safety, State Farm Insurance, and the Minnesota Insurance Federation spoke on the bill. Tom Newcombe, with State Farm Insurance, said that if the bill were amended to limit the course to those 30 or older his company wouldn't object to the bill's passage. The bill was amended to limit the insurance reduction to those 30 or older, recommended for passage, and referred to the floor.

S.F. 1258, authored by Sen. Linda Scheid (DFL-Brooklyn Park), regulates the residual liability insurance on rental cars. Scheid said the issue of liability insurance responsibility for rental cars has been fought in the courts all the way up to the Minnesota Supreme Court, which recently reversed a decision made by two lower courts. Scheid said that she wanted to make it clear that the person renting a car now has responsibility for providing liability coverage, a decision in opposition to the Supreme Court ruling.

Newcombe spoke against the bill, saying that car rental companies like Hertz are self-insured, which is the same as having insurance. He said that the question to ask is whether a company should be given a huge benefit by not having to provide insurance on their property.

Win Borden, representing Hertz, said that insurance companies can assess risk, car rental companies cannot. He said that a rental company's main concern is to sell mainly to those who need coverage, such as out-of-state drivers.

The bill was recommended to pass and referred to the floor.

S.F. 2783, authored by Sen. Sheila Kiscaden (R-Rochester), provides for assessments of any proposed health coverage mandates. Kiscaden said that Minnesota is second in the nation for the number of health mandates enacted. She said that the intent of the bill is not to keep from enacting mandates, but to create a review process whenever health coverage mandates are proposed. She said that all of the states that already have this process are still passing mandates, but have a more reasoned process. The bill was recommended to pass and re-referred to the Committee on Health and Family Security.

S.F. 2734, authored by Sen. Dave Kleis (R-St. Cloud), exempts out-of-state collection agencies from regulation. Carol Trebelhorn, president of the Minnesota Association of Collectors, said that there are only 11 other states that do not have open borders. John Hake of the Dept. of Commerce, said that one concern of the department is that some states have no licensing requirements at all, which might reduce the available remedies to pursue collection agencies. Committee Chair Sam Solon (DFL-Duluth) said asked the department to offer remedies for that concern before the bill reaches the Senate floor. The bill was recommended to pass and referred to the full Senate.

Crime Prevention

Solicitation penalties increased

A bill increasing the penalties for soliciting or receiving profit from the prostitution of an individual under age 16 was debated at the Thurs., Feb. 5, evening meeting of the Crime Prevention Committee. The bill, S.F. 2087, sponsored by Sen. Linda Berglin, increases the penalties from 10 to 15 years imprisonment and raises the fine from \$20,000 to \$30,000. The measure also increases the penalties for prostitution crimes committed in designated School and Park Zones. Originally, the measure included Public Housing Zones as another area in which

penalties are increased. However, Sen. Dave Johnson (DFL-Bloomington) successfully argued that the penalties across neighborhoods should be consistent. The language designating Public Housing Zones as an area for increased penalties was removed.

Members also adopted an amendment, offered by Berglin, specifying that when a petition is filed alleging that a child has engaged in prostitution, the county attorney must determine whether concurrent jurisdiction is necessary to provide appropriate intervention and, if so, proceed to file a petition alleging that the child is both delinquent and in need of protection or services. The bill was approved and sent to the full Senate for consideration.

In other action, members also approved a bill, S.F. 2369, clarifying when the intentional taking of the life of another is authorized to prevent the commission of a felony. Committee Chair Allan Spear (DFL-Mpls.), chief author of the bill, said the measure is necessary because of a recent Minnesota Supreme Court decision that altered the interpretation of existing law. Paul Scroggin, of the Hennepin County Attorney's Office, explained that up until the recent decision, the law had been interpreted to mean a two part "test" applied when determining justifiable homicide. According to Scroggin, the Court's decision altered the interpretation so that the law could be interpreted very broadly. Scroggin said that the bill returns to the interpretation that has been in use until the Court decision.

The bill specifies that the intentional taking of the life of another is not authorized, except when necessary in resisting or preventing an offense which the actor reasonably believes exposes the actor or another to great bodily harm or death, or preventing the commission of a felony by a trespasser as defined in law, in the actor's place of abode. Spear said the bill adds the language defining trespasser.

David Gross, representing the Gun Owners Civil Rights Alliance, spoke against the change. Gross said that the new language eliminates the possibility of a finding of justifiable homicide in the case of a domestic abuse victim turning on an abuser. However, Scroggin and Spear both said that such a case would meet the test of reasonably believing that

the actor is exposed to great bodily harm or death. The measure was approved and sent to the full Senate.

Members also advanced four additional bills. S.F. 2182, sponsored by Sen. Jane Ranum (DFL-Mpls.), updates the harassment statute to include in the list of harassing activities the repeated sending of faxes. S.F. 2365, also carried by Ranum, provides that a person adjudicated as an extended jurisdiction juvenile who has a stay of execution revoked may not receive credit for time served in a juvenile facility. S.F. 2368, sponsored by Spear, expressly approves an addition to the sentencing guidelines commentary. According to Spear, the addition requests that when a plea agreement is made that involves a departure from the presumptive sentence, the court should cite the reasons that underlie the plea agreement or explain the reasons the negotiation was accepted. All three bills were approved and sent to the Senate floor.

The fourth bill, S.F. 2259, authored by Johnson, requires the Bureau of Criminal Apprehension to collect and maintain computerized data relating to conditional release information about convicted offenders for use by criminal justice agencies. The measure was approved and re-referred to the Judiciary Committee.

Record access debated

Much of the Mon., Feb. 9, meeting of the Crime Prevention Committee was given to discussion of a bill expanding victim and public access to juvenile delinquency records. The measure, S.F. 2758, authored by Sen. Ember Junge (DFL-New Hope), also requires an annual report on delinquency dispositions. Under the bill, the name and age of the juvenile, the act and the date of the act for which the juvenile was petitioned, whether the juvenile was referred to a diversion program, the petition was continued for dismissal or continued without adjudication, or the juvenile was adjudicated delinquent and the final disposition, may be released to the victim of any alleged delinquent act and the general public in those cases involving a juvenile who is subject to a delinquency petition for a third act that would be a felony or gross misdemeanor if committed by an adult.

Several committee members questioned whether the release of information

contradicts the policy of striving for rehabilitation that the state has developed over the course of several years. Sen. Jane Ranum (DFL-Mpls.), argued that the bill contradicts the policy the Legislature has formulated of keeping delinquency data private. Junge countered that victims and the public have a right to know about juveniles who have committed serious offenses. Sen. Leo Foley (DFL-Anoka) offered an amendment to specify that the bill applies to juveniles adjudicated delinquent for the third or subsequent time, rather than having had a delinquency petition filed against them for a third or subsequent time. Foley's amendment was adopted. An amendment, offered by Sen. Linda Berglin (DFL-Mpls.), providing that the measure does not apply to juvenile prostitution offenses, was also adopted. After members debated the policy of making the juvenile data public information, Sen. Ellen Anderson (DFL-St. Paul), offered an amendment limiting the release of the information to victims, rather than making the information public. The amendment was adopted on a divided voice vote. The bill was the approved and re-referred to the Judiciary Committee.

In other action, the committee, chaired by Sen. Allan Spear (DFL-Mpls.), acted on several other measures. S.F. 2495, authored by Sen. Dave Kleis (R-St. Cloud), is a housekeeping measure from the Dept. of Corrections. The bill clarifies language relating to religious activities at correctional institutions, specifies that autopsies must be conducted in all unattended inmate deaths, exempts the campus at the state juvenile correctional facility at Red Wing from the 100 bed limitation for long term residential secure programming and includes at-risk youth and girls in the Camp Ripley weekend camp. The measure was approved and advanced to the full Senate.

S.F. 2498, authored by Sen. Randy Kelly (DFL-St. Paul), makes several changes in the sex offender registration law to clarify the laws scope, procedures and requires record maintenance. The measure requires that persons charged with or petitioned for falsely imprisoning a minor, soliciting a minor to engage in prostitution, or soliciting a minor to engage in sexual conduct, must register as sex offenders. The bill also requires out-

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of-state sex offenders who move to Minnesota must register within five days, rather than the current 30 days. The bill was approved and re-referred to the Judiciary Committee.

S.F. 2545, sponsored by Junge, requires persons convicted of felony indecent exposure to register as sex offenders. S.F. 2684, carried by Ranum, provides criminal penalties for anyone who violates an order for protection/minor respondent, prohibits violators of those orders from possessing firearms and clarifies service of notice under the harassment restraining order law. Both measures were approved and sent to the Senate floor.

Meth penalties increased

Attorney General Hubert H. Humphrey advocated an increase in penalties for the manufacture, sale or possession of the drug methamphetamine when he appeared before the Crime Prevention Committee at a hearing Weds., Feb. 11.

The committee was considering a bill, S.F. 2356, sponsored by Sen. Dave Johnson (DFL-Bloomington), that increases the penalties to the same level as those for cocaine and heroin. Humphrey said, "Methamphetamine is a highly addictive drug and increasing amounts are being manufactured in Minnesota." He also said, "Meth is particularly insidious because the ingredients are legal and readily available." In addition, Humphrey said that the process of manufacturing methamphetamine is also dangerous because it is highly explosive. William Morly of the federal Drug Enforcement Agency, also spoke on behalf of the bill. He said that the number of arrests for manufacturing methamphetamine have increased dramatically in recent years.

Under the bill, the weight threshold for methamphetamine is lowered to equal those of cocaine and heroin. According to Johnson, the effect is that under the bill, it takes a smaller amount of methamphetamine to make an offense a first-degree controlled substance crime. Several committee members expressed concern about the fiscal impact on corrections institutions with the increased penalties. Scott Swanson, of the Public Defenders Office, said that judges often depart downward from the sentencing guidelines for controlled substance crimes and that increasing the penalties

dramatically may not alter the behavior of those addicted to the drug. Deb Dailey, of the Sentencing Guidelines Commission, said the commission does not yet have an accurate estimate of the bed impact of the bill. The measure was approved and referred to the Crime Prevention and Judiciary Budget Division.

The committee, chaired by Sen. Allan Spear (DFL-Mpls.), also recommended that two bills be placed on the Consent Calendar. S.F. 2846, authored by Sen. Randy Kelly (DFL-St. Paul), delays the effective date for listing carisoprodol as a controlled substance for one year. S.F. 2902, sponsored by Sen. Ellen Anderson (DFL-St. Paul), provides that interpreters may be allowed in grand jury proceedings if needed for grand jurors with speech or hearing disabilities.

Finally, members also approved a bill making several changes in the duties, operations and procedures of the State Public Defenders Office. The measure, S.F. 2836, carried by Sen. David Ten Eyck (DFL-East Gull Lake), was approved and referred to the Crime Prevention and Judiciary Budget Division.

Crime Prevention and Judiciary Budget Division

Bonding requests heard

The Crime Prevention and Judiciary Budget Division devoted the entire Fri., Feb. 6, meeting to reviewing bonding proposals. Members, chaired by Sen. Randy Kelly (DFL-St. Paul), heard three requests in bill form. S.F. 2691, carried by Sen. Ember Junge (DFL-New Hope), requests a \$2.814 million bond appropriation for the design of a new building for the Bureau of Criminal Apprehension. S.F. 2619, sponsored by Sen. Dave Johnson (DFL-Bloomington), requests a \$2.5 million bond appropriation for a South Metro Joint Public Safety Training Facility. The measure also requires a \$4 million match from nonstate sources. S.F. 2757, carried by Sen. Tracy Beckman (DFL-Bricelyn), requests \$1.5 million from the bond proceeds fund to design, construct and furnish the Lake Crystal Area Recreation Center.

In addition, members discussed the available options for expanding the Shakopee Women's Correctional Facility. The governor's capital budget plan calls for a 124-bed, double-bunked

unit to accommodate an increasing population. Kelly said members will continue their consideration of capital budget items.

DOC bonding request heard

The Crime Prevention and Judiciary Budget Division, chaired by Sen. Randy Kelly (DFL-St. Paul), heard a bonding request from the Department of Corrections (DOC) and twelve bills at meeting Mon., Feb. 9. The bills will all be considered for inclusion in the division's omnibus bill.

Carol Sheehan, director of health services, DOC, presented the department's fourth bonding initiative this year, which is a request for \$3.3 million to expand existing infirmary space and the mental health unit at the Oak Park Heights Correctional Facility. Sheehan said the current existing inpatient capacity of 13 beds does not accommodate the current needs of the facility. The three components of the project are to convert a 52-bed general population living unit to a 45-bed mental health unit, convert the existing 22-bed mental health unit to a 39-bed infirmary, and develop a new high security unit to replace the beds lost in the general population unit conversion. Sheehan said the project effectively meets the increasing medical needs of the inmate population while decreasing costs in the health care budget.

A bill to fund expansion of a juvenile mentoring pilot program was presented by Sen. Jane Ranum (DFL-Mpls.). S.F. 2727 appropriates funds for juvenile mentoring programs in addition to those funded in the 1996 omnibus bill. The programs, currently operating at four sites in the state, are designed to offer individual attention to youths identified as "high-risk" and habitually truant. The program matches "at-risk" students with university student mentors for two hours a day after school. Don Bradel, administrative coordinator of the Intensive Juvenile Mentoring Program in Bemidji, said the program "has had very good results" in its one year of implementation. Dennis Day of the DOC said \$250,000 was the original amount appropriated to the pilot program in 1996, and the DOC is asking for a bit less than \$250,000 this year to expand the program.

Sen. Thomas Neuville (R-Northfield)

sponsored the governor's crime prevention and judiciary budget bill, S.F.2486. The bill appropriates funds to criminal justice entities such as the courts, DOC, the Dept. of Public Safety, and several boards. Funding for DOC includes \$1 million to implement a low-income housing construction program using inmate labor.

Two bills to fund innovative court projects were presented by Sen. Linda Berglin (DFL-Mpls.) and Sen. Dave Johnson (DFL-Bloomington). Berglin's bill, S.F.2088, appropriates funds to supplement the appropriation last year in the omnibus crime bill for innovative court projects. The bill specifies that priority be given to projects focusing on nuisance law actions and prosecutions. Johnson's bill, S.F. 2195, appropriates funds to the Fourth Judicial District to implement an innovative court project. According to the bill, the project is to improve the administration of justice with respect to misdemeanor crimes that specifically affect the quality of life in the community. Johnson said, "This is really being driven by the livability issue that comes from people feeling nothing happens (to deal) with these crimes."

Berglin also authored S.F. 2090, a bill authorizing community-based organizations to establish restorative justice programs in collaboration with local governments. The bill appropriates funds for grants to existing restorative justice programs. Berglin said \$75,000 is the minimum amount necessary for grants to the existing 50-60 programs.

Sen. Warren Limmer (DFL-Maple Grove) presented S.F. 2312, a bill appropriating \$3.02 million in bonding for the city of Maple Grove to design, construct, expand and equip firearm and tactical training facilities for law enforcement. The facility, built in 1993, is used jointly by twenty law enforcement agencies, including fourteen city police departments, the Hennepin County Sheriff's Office, the F.B.I., and others. The facility allows joint training among law enforcement agencies and minimizes their training costs. According to Hennepin County Sheriff Pat McGowan, "this is the only facility of its type in the state of Minnesota."

Sen. Charles Berg (IND-Chokio) authored S.F. 2778, a bill appropriating funds in FY 99 from the general fund to establish emergency shelter and support

services for battered women and their children in Big Stone County. Berg said, "There is a crying need for a battered women's shelter in Big Stone County," where there currently is no shelter. He said \$104,000 would provide total funding for the project.

Sen. Ember Junge (DFL-New Hope) presented S.F. 2895, a bill appropriating funds to the commissioner of public safety for expenses related to the increased use of the Criminal Alert Network. Junge said the Dept. of Public Safety is asking for an appropriation of \$278,000. No action was taken. A bill requiring the commissioner of administration to study the issue of pretrial release was sponsored by Neuville. S.F. 1960 contains an appropriation to the commissioner to conduct the study, and requires the commissioner to report to the Legislature in 1999 on its results. The bill was approved and sent to the Senate floor for consideration.

Sen. Tracy Beckman (DFL-Bricelyn) presented S.F. 2375, a bill appropriating \$800,000 for the Southwest and West Central Service Cooperative to continue and expand the Child Guide Prevention Program for children in grades K-6 at nine regional sites established by the Minnesota service cooperatives. No action was taken. S.F. 1654, a bill changing the fees for filing and recording certain documents was carried by Sen. David Ten Eyck (DFL-East Gull Lake). The bill was moved to the full committee. Kelly sponsored S.F. 2097, a bill appropriating \$250,000 to the commissioner of public safety for local law enforcement grants program and the crime witness and protection fund.

Election Laws

Campaign finance bill okayed

A bill that failed its first hearing in the Election Laws committee last year was approved at the Mon., Feb. 9 meeting after being substantially amended. The bill, S.F. 708, sponsored by Committee Chair John Marty (DFL-Roseville), makes numerous changes to the election campaign finance laws.

Marty began the meeting by removing the provisions that caused the bill's previous failure. He said that although the amended bill isn't non-controversial, it is supported by a broad consensus of committee members. Marty described

each section of the bill and said that many of the provisions were recommendations of the Board of Campaign Finance and Public Disclosure, formerly known as the Ethical Practices Board.

An additional provision was added to the bill when Jennifer Smith of the Progressive Minnesota Party said that the party found itself in an awkward situation. She said that in December of 1996 the Dept. of Revenue gave the party receipts to issue to contributors to be used to apply for campaign contribution refunds. Just recently, she said, the party learned from the Revenue Dept. that it did not qualify as a valid minor party and was ordered to desist from issuing contribution receipts. Smith asked that the Progressive Minnesota Party be grandfathered into the program. The committee adopted an amendment extending the Progressive Minnesota party's refund program eligibility through the current election cycle, but required the party and any others in a similar situation to requalify prior to the 2000 election.

Considerable discussion centered around a provision releasing primary election candidates from spending limits if they want to receive a public campaign subsidy. Under current law, a primary candidate who wishes to receive a public campaign subsidy is released from spending limits if their primary opponent chooses not to abide by the spending limits. However, the candidate's general election opponent is not released from the spending limits. The bill requires a primary candidate who is eligible to be released from spending limits to make a choice. If the primary candidate chooses to be released from the limits, their general election opponent is also released. Sen. Ember Junge (DFL-New Hope) argued against the provision, saying it has the potential to release all candidates of all parties from spending limits. She successfully moved to remove the provision from the bill. Junge also succeeded in adding a provision requiring candidates to obtain written permission from an organization if the candidate claims to have the support of the organization.

Sen. Mark Ourada (R-Buffalo) questioned a provision exempting organizations informing their "dues-paying" members on the organization's position on a candidate from the independent

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expenditure reporting requirement. Ourada said some organizations don't charge dues. Marty said that without the "dues-paying" requirement, a political organization could claim that all Minnesotans are members of their organization and get around the reporting requirement. He added that without that provision, the law is too broad and will be ruled unconstitutional. However, the committee removed the "dues-paying" provision.

The bill now advances to the Senate floor.

Disclosure bills heard

Two bills concerning disclosure of campaign contributions were among those heard at the Weds., Feb. 11, meeting of the Election Laws Committee. One bill, S.F. 3071, authored by Sen. Linda Scheid (DFL-Brooklyn Park), regulates contributions made through "conduit funds." The other measure, S.F. 2931, carried by Committee Chair John Marty (DFL-Roseville), increases disclosure requirements on lobbyist activities.

Scheid said that a "conduit fund" is a contribution made voluntarily by employees of a company when the contributions are deducted from the employees' payroll. The company then aggregates the employees' contributions and sends one check to a campaign fund, Scheid said. The contribution check is accompanied by a letter attributing the amount of each individual contribution to each contributor, she said. Reports must be filed with the Campaign Finance and Public Disclosure Board (CFPDB) by each contributor listing the amount they contributed, and by the campaign fund listing the total amount received from the employees of the company, but there is no way to track how much individuals are contributing through the conduit funds, according to Scheid. Scheid said that she doesn't want to do away with the conduit funds because it allows people to make small contributions, but there needs to be some disclosure.

Under the bill, conduit funds must register with the CFPDB and must report to whom contributions in excess of \$100 have been made. Recipients of contributions must also report the amounts received from the funds.

Considerable discussion centered around an amendment, offered by Sen.

Douglas Johnson (DFL-Tower), allowing trade associations to contribute up to \$25 of members' dues to political campaigns. Marty opposed the amendment, saying that some membership dues are paid with corporate dollars. Glen Dorfman, Minnesota Realtors Association, argued for the amendment, saying that labor unions are allowed to make contributions similarly, other groups should have the ability as well. The amendment was adopted with only Marty dissenting.

Sen. Cal Larson (R-Fergus Falls) successfully moved to raise the reporting threshold to \$1,000, saying that the lower limit will discourage participation. The bill was approved and sent to the Senate floor.

Marty began the presentation on his bill by removing sections concerning independent expenditures. He said the provisions would likely encounter constitutionality problems. Marty's bill requires lobbyists to report the issues on which they lobby, the lobbyist's employees who work on the issue, and the income received from the lobbyist principal for the lobbying efforts. John Knapp spoke against the measure, saying it was not specific in the types of information required and put an undue recordkeeping burden on lobbyists. The measure failed on a 4-2 roll call vote.

Earlier, the committee approved S.F. 2690, sponsored by Sen. Jim Vickerman (DFL-Tracy). The bill reduces the number of school board members of Independent School District number 2884 Red Rock from twenty-one to seven members. The bill also staggers the four year terms of the members by initially setting the terms of three members at two years. The bill now goes to the Committee on Children, Families and Learning.

Environment and Natural Resources

State Parks bill approved

A bill adding parcels of land to several state parks was approved at a meeting of the Environment and Natural Resources Committee Fri., Feb. 6. The bill, S.F. 2351, sponsored by Sen. Jim Vickerman (DFL-Tracy), also creates a new state recreation area.

Parks and Recreation Division Director Bill Morrissey of the Dept. of Natural

Resources (DNR) said the bill drops a vehicle permit requirement for use of the parking lot in Zippel Bay State Park, and adds parcels to Crow Wing, Glendalough, Kilen Woods, Lake Bemidji, Minneopa, Savanna Portage and Tettegouche State Parks. Morrissey said the bill also establishes a state recreation area on Garden Island in Lake of the Woods. He said the island is frequently used as a shore lunch stop by many boaters. Concern was raised about a provision in the bill that prohibits designating the recreation area as a scientific and natural area. Morrissey said a survey of the island revealed that there is nothing on the island meriting such a designation. Sen. LeRoy Stumpf (DFL-Thief River Falls) successfully offered an amendment requiring the DNR to consult with the Lake of the Woods County Board before changing the management of the area. The bill was approved and sent to the Senate floor.

The committee also approved and sent to the full Senate S.F. 2381. The bill, carried by Sen. Jane Krentz (DFL-May Township), extends both ends of the Gateway Trail from the Capitol to Taylors Falls. Krentz said she is submitting a land acquisition appropriation request to the Environment and Agriculture Budget Division.

In addition, the panel also endorsed S.F. 2334, authored by Sen. Janet Johnson (DFL-North Branch). The bill modifies a law passed last year requiring a permit to operate a snowmobile registered outside of Minnesota on a state snowmobile trail. Dennis Asmussen, trails and waterways director for the DNR, said the original law didn't give much direction on how to display the permit. He said that now the state will require a sticker to be displayed on the snowmobile. Krentz asked if it would be possible to use the stickers to identify nuisance snowmobilers. Asmussen replied that because of the sticker's size and because the snowmobiles are usually moving fast, it isn't practical to use the stickers for identification purposes. The bill now advances to the Senate floor.

Watershed board bill debated

A controversial bill changing the membership of the Red River Watershed Management Board was debated in the Environment and Natural Resources Committee Mon., Feb. 9.

S.F. 1589, authored by Keith Langseth (DFL-Glyndon) changes the area included within the jurisdiction of the board, mandating the inclusion of watershed districts in Traverse, Grant, Big Stone, and Stevens counties. "The idea," said Langseth, "is to allow all the counties in the Red River Valley to take part in flood control."

Sen. Charles Berg (IND-Chokio), said that the issue was highly contentious and that many county commissioners and boards had voted against inclusion already.

Sen. Steve Dille (R-Dassel) noted that the four counties being included in the board's taxing area were on the high end of the watershed, and asked whether they have a responsibility to help those counties further down the river with flood control.

Debate often turned to whether any help from the counties could have helped mitigate last year's record flooding damage. Langseth said the bill should have been passed years ago, and could have headed off a \$1 billion problem.

Charles Anderson, an engineer for the Boise de Sioux Watershed District, said that flow control from the four counties "would have avoided a huge amount of damage."

Sen. Lawrence Pogemiller (DFL-Mpls.) recommended the bill for passage and referral to the Committee on Taxes. After a roll call vote was requested by Berg, the bill was recommended to pass and referred to the Committee on Taxes.

Another bill heard was S.F. 2362, authored by Sen. David Ten Eyck (DFL-East Gull Lake). The bill modifies the membership of the Forest Resources Council to include a representative recommended by the Indian Affairs Council. Ten Eyck said the bill essentially recognizes the right of tribal entities to manage their own resources. The bill was recommended to pass and sent to the floor.

S.F. 2739, authored by Berg, was also discussed. The bill modifies provisions prohibiting the disposal of motor vehicle antifreeze. "This is an agency bill," said Berg, noting that recent studies by the Pollution Control Agency (PCA) indicate that antifreeze doesn't cause problems in sewer systems. David Richfield of the PCA said that the Legislature asked the PCA to do a study on the issue a number of years ago, and

the results last year indicated that there are no noticeable public health effects from antifreeze disposal. The bill was amended to include \$15,000 for the PCA to develop antifreeze recycling programming, recommended for passage, and referred to the Economic Development Budget Division.

Water quality discussed

The Environment and Natural Resources Committee considered a number of bills on Tues., Feb. 10, regarding the sale of state land and tax-forfeited land, as well as bills for water quality modeling and fund distributions. The bills were advanced with relatively little discussion.

Sen. Steven Morse (DFL-Dakota) authored S.F. 1587, authorizing distributions from the permanent school fund and the environment and natural resources trust fund. Under the bill, the distributions may be up to 5.5 percent. The bill was approved and re-referred to the Children, Families, and Learning Committee.

S.F. 2376, authored by Sen. John Hottinger (DFL-Mankato), creates a task force to study a cost-benefit model for water quality standards. The bill was recommended to pass and re-referred to the Government Operations and Veterans Committee.

S.F. 2892, authored by Sen. Becky Lourey (DFL-Kerrick), authorizes the private sale of public land Aitkin County. The bill was recommended to pass and referred to the floor.

The other bills heard were all amended into S.F. 2892. S.F. 2273, authored by Sen. Thomas Neuville (R-Northfield), authorizes the conveyance of state land to the city of Faribault. S.F. 2496, authored by Sen. Cal Larson (R-Fergus Falls), authorizes the sale of tax-forfeited land bordering public waters in Douglas County. S.F. 2189, authored by Lourey, modifies the terms of a tax-forfeited land sale in Carlton County.

DNR lakeshore cabin bill heard

Debate over the future of the DNR lakeshore cabins leased by many Minnesotans surfaced in the Environment and Natural Resources Committee Weds., Feb. 11, with the hearing of S.F. 1130.

Authored by Sen. Jerry Janezich (DFL-Chisolm), the bill requires the sale of the remaining lakeshore land leases, and

restricts the amount of the lease rate and lease rate increases. James Lawler, with the DNR, said that the department is against the immediate sale of the properties. He said there isn't enough time allowed under the bill to hire enough licensed appraisers for all of the properties. He also said that the DNR wants to wait until the Legislative Auditor's report on the permanent school fund is released. The audit specifically addresses the issue of whether to sell the cabins, said Lawler.

Sen. Gary Laidig (R-Stillwater) said that there are some mitigating reasons why the tenants didn't buy the property when first offered the chance. One reason is the desire not to lose the value of any improvements resulting from a possible loss of the property at public auction. "We have outstanding tenants turning nonrevenue producing property into revenue-producing property. The deal was a lease of 20 years, and if you didn't screw up, a lease for another 20," he said.

Sen. Charles Berg (IND-Chokio) said that he didn't understand why the tenants felt they had any more right to the property than others.

The bill was laid over.

Three other bills heard in the committee were recommended to pass and referred to the floor with little or no debate. S.F. 2756, authored by Sen. Steven Novak (DFL-New Brighton) provides penalties for violating underground storage tank statutes and rules. S.F. 2491, authored by Janezich, authorizes the private sale of certain tax-forfeited peat land in St. Louis County. S.F. 3011, authored by Committee Chair Bob Lessard (DFL-Int'l. Falls), prohibits the taking of white bear.

Environment and Agriculture Budget Division

Farm bill reviewed

"It's not just about passing on the land, it's about passing on memories," said Cindy Wittwer, speaking to the Environment and Agriculture Budget Division Thurs., Feb. 5, about the obvious and not-so-obvious factors coming into play when farms pass from one generation to the next.

Wittwer and others spoke on behalf of the Passing on the Farm Center, which provides business planning and issues

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counseling for farmers around Minnesota. The center would be the recipient of \$75,000 in general fund appropriations under a bill, S.F. 2125, authored by Sen. Jim Vickerman (DFL-Tracy).

"We not only provide farmers with technical information, but also with guidance on family dynamics," said Wittwer, a facilitator for the center. "It's the family dynamics that's going to trip a family up," she said.

The bill increases the state's portion of the center's 1998 budget from \$50,000 to \$125,000 a year. No action was taken on the bill, one of two the division considered at the meeting.

The second bill, S.F. 1587, proposes amending the state's Constitution to allow distributions of up to 5.5 percent from the permanent school fund and the natural resources trust fund. Authored by Sen. Steven Morse (DFL-Dakota), the bill removes some of the investment barriers of the funds.

The bill changes the investment policies underlying the funds, so that amounts appropriated are no longer be limited to net earnings. The constitutional amendment severs what may be spent from the investment policy, much like trust funds, said Morse. He said that the idea is to let the State Board of Investment manage the fund much like they do any other fund, and allow the state to spend 5.5 percent of the fund every year. "Some years we'd be adding to the fund, some years we'd be depleting it," said Morse.

Morse said that current legislative guidelines recommend that earnings from both funds be invested evenly between stocks and bonds. Different investment strategies should be considered, he said. He presented State Board of Investment calculations showing outcomes of different investment strategies on the environmental trust fund if 5.5 percent of each fund was withdrawn every year. If investment is maintained at its present legislatively recommended 50/50 investment split between stocks and bonds, the fund is projected to total roughly \$3.47 billion by 2035. If a 70/30 investment split between stocks and bonds is used, the fund is projected to total over \$4.1 billion by 2035.

Morse said that graphed out over the period, the proposed 5.5 percent yearly withdrawal would result in lower yearly balances in the fund until the year 2014,

when the proposed method's balance would begin to overtake the present method's balance. The proposed method's balance would completely overtake the present method's by the year 2023.

The bill was recommended to pass and referred to the Environment and Natural Resources Committee.

The division also heard from Minnesota Board of Water and Soil Resources (BWSR) staff regarding the board's requested appropriations for FY 98-99. Executive Director Ron Harnack said BWSR is requesting money for three major budget initiatives, including \$20 million for the Reinvest in Minnesota (RIM) and Permanent Wetlands Preserve (PWP) programs, \$5.83 million for the wetland replacement program for wetlands lost due to road construction, and \$1 million to assist in the design and installation of an earthen dam within the headwaters of the Lac Qui Parle River near the Minnesota and South Dakota state line.

Both the RIM and PWP programs keep marginal agricultural land out of crop production, through the purchase of conservation easements limiting the allowable land uses. Harnack said that demand has been so high for the RIM funds that with few exceptions only permanent easements have been funded, although both 20 year and permanent conservation easements exist.

Outdoors Woman bill heard

The "Becoming an Outdoors Woman" bill, S.F. 2469, sponsored by Sen. Janet Johnson (DFL-North Branch) was heard at the Fri., Feb 6, evening meeting of the Environment and Agriculture Budget Division. The division also heard other supplemental budget requests from the Dept. of Natural Resources (DNR).

Patricia Burke, DNR, said the \$100,000 supplemental budget request for the Outdoors Woman program funds a full time coordinator position, a half time clerical position and pays for marketing the program, facilities rental and tuition scholarships in the program. She said the money will be combined with private sector money to set up training seminars for women in various outdoor activities such as hunting, fishing, canoeing and orienteering. Burke said that with the combined monies, the cost to participants will be kept low so that women from single parent households and diverse

backgrounds can participate.

Burke said that many DNR resources go towards training courses, such as hunting safety, but those offerings are mainly attended by men. She said the program also addresses some of the barriers women face that prevent them from participating, such as the need for child care. No immediate action was taken on the bill, but the division will consider it when assembling the supplemental appropriation bill.

Deputy DNR Commissioner Ron Nargang presented a funding request for \$100,000 from the general fund to coordinate the development of shooting ranges throughout the state. Nargang said there is resistance to developing shooting ranges in the Metro Area, but firearms safety students need places to practice what they've learned.

A request for \$476,000 to continue sealing abandoned wells on state property was presented by DNR Waters Division Director Kent Lokkesmoe. He said the DNR is still in the process of locating wells on state land. The process started in Southeast Minnesota where fractured rock is common in the geology, posing the greatest health risk, according to Lokkesmoe.

Expanded and improved customer service operations is the goal of a \$1.2 million request from the agency. Part of the money is for development of a multi-agency integrated database. Assistant DNR Commissioner Gene Gear said that the project integrates the databases of the DNR, the Pollution Control Agency and the Dept. of Health. As a result, by doing an Internet search, a person can print a single map showing natural resource features such as lakes and canoe routes and other locations such as solid waste sites.

The agency is also requesting \$300,000 for White Pine restoration projects throughout the state. The money is for replanting and placing bud caps on seedlings to protect them from deer grazing said Jack Rayala, a White Pine restoration advocate.

The division also discussed the DNR's plans to implement an electronic licensing system (ELS). Gear said that with the system, all DNR licenses can be printed on the same piece of paper. In addition, Gear said, license vendors won't have to purchase unissued licenses up front or post a bond for them. Divi-

sion Chair Steven Morse (DFL-Dakota) asked if it's possible to get away from paper licenses. Gear said that that is coming with the use of "smart cards," but the paper licenses must be used in the mean time. Gear said that the DNR experienced difficulty getting contractors to bid on running the ELS because the Legislature initially authorized a pilot project in only four counties. He said that the system needs to be statewide in order for it to be profitable for the contract operator. The division plans to continue hearing DNR budget requests before assembling their division budget bill.

USS Des Moines

The DNR presented the Environment and Agriculture Budget Division with an overview of the department's capital budget requests on Mon., Feb. 9, and requested funding for a veteran's park in Duluth centered around the retired heavy cruiser USS Des Moines.

A significant portion of the meeting was spent debating the park. Although the ship itself would be given to Minnesota for free, many Senators noted that the project would most likely involve significant 'tails,' or future funding appropriations. Division Chair Steven Morse (DFL-Dakota) noted that an open appropriation seems to be necessary for the project, to "keep the project from draining funds from other state parks."

Discussion focused on the viability of such a park in Duluth, after articles from various newspapers were distributed indicating that many such parks centered around ships have trouble staying solvent.

DNR Deputy Commissioner Ron Nargang told the division that "location is everything" for such public projects. He said that the combination of 450,000 veterans in the state and the ideal location of the Duluth harbor gives the project a viable base. He said that unlike many of the other ship-centered parks in the East, there would be little competition in Minnesota for the park. Noting that the ship is so large it would have "minor problems" getting through the St. Lawrence River, he said that the site in Duluth would allow a war vessel to be docked further inland than any other.

Morse said that the most fundamental question regarding the proposal was how the ship fits in with statutory guidelines

for state parks. Sen. Bob Lessard (DFL-Intl. Falls) also questioned the DNR's involvement, and asked why the project doesn't come under Historical Society administration.

Nargang said that the initial inter-agency team to look at the project included the Minnesota Historical Society. He said the society has a "keen interest" in the project overall, but not in the ship itself, which doesn't meet society guidelines for historical noteworthiness to Minnesota.

Nargang said that the project carries a \$3.6 million pricetag, but that the DNR could probably generate \$1.8 million in revenue a year from tours of the ship. "It could outperform any other state park in the system," he said, noting that the initial investment was large.

When asked by Morse about the urgency of the project, Nargang said the ship was in danger of being scuttled by the Navy. "Very simply, the ship's not going to be there if we don't pursue this now," he said. He noted that the state has to have a viable plan for the securing, transport, mooring, and operation of the ship.

Nargang also presented a number of DNR prioritized projects, touching on the issues of building projects, deferred maintenance, and sharing office space with other agencies. He said that the DNR is currently given \$2 million a year for building maintenance, repair, and improvement, and should be spending more than \$4 million a year.

When Lessard asked about the allocation process for building maintenance, Nargang discussed the difficulty in justifying an expense on a building until it "gets so bad the problem is obvious." He added that he felt that in recent years the Legislature just hasn't had the necessary funds to allocate. As a result, the department has built up a \$22 million "capital iceberg" of deferred maintenance, he said.

Sen. Roger Moe (DFL-Erskine) presented S.F. 2386, a bill authorizing a \$2.6 million appropriation of state bond funds for a consolidated DNR area field office in Warroad. Moe said the project has been on the priority list for years, but has never been funded. Nargang said that the project is the number one priority for the next biennium, with an estimated cost of \$3.127 million. The bill was laid over for further consideration.

Parks funding discussed

Funding for state and metropolitan parks was discussed at the Tues., Feb. 10, meeting of the Environment and Agriculture Budget Division.

Ron Nargang, deputy commissioner, Dept. of Natural Resources (DNR), presented the DNR's request for \$5.895 million in bonding and supplemental budget appropriations. Nargang said the requests are for construction of new visitors' centers at Lake Itasca and Forestville State Parks, construction of camper cabins and shower facilities at various state parks, and the construction of an artifact storage facility at Myhre/Big Island State Park. He said the department is also requesting \$2.935 million for trail and facility improvements at various state parks, and \$3.5 million to acquire private land for inclusion in state park boundaries.

The division also heard from Arne Stefferud of the Metropolitan Regional Parks Commission. The commission is seeking \$9.825 million for acquisition of land and development of parks in the Metro Area.

DNR bonding requests heard

Discussions of the Dept. of Natural Resources (DNR) bonding requests continued at the Weds., Feb. 11, hearing of the Environment and Agriculture Budget Division. The division, chaired by Sen. Steven Morse (DFL-Dakota) heard testimony from Deputy DNR Commissioner Ron Nargang.

Nargang said the department is seeking \$24 million for flood mitigation projects in Crookston and East Grand Forks. Nargang said that East Grand Forks and Grand Forks, North Dakota need to jointly decide if they want to build a diversion levee or setback dikes before federal money will be approved for the chosen project. The department is also seeking \$1.9 million to resurface or reconstruct state forest roads.

A total of \$800,000 is sought by the department to acquire lands for state forests. In addition, the department is seeking \$12.45 million for trail acquisition and development. Part of the acquisition plans include the Skunk Hollow Trail in Granite Falls. The trail is the subject of S.F. 2300, sponsored by Sen. Dean Johnson (R-Willmar).

Other trail bills discussed by the division include S.F. 3183, sponsored by Sen. David Ten Eyck (DFL-East Gull

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Lake), authorizing \$300,000 for the construction of second non-paved lane of the Heartland Trail between Walker and Cass Lake; S.F. 2916, sponsored by Sen. Gary Laidig (R-Stillwater), authorizing \$24.162 million to construct 58 miles of new trail in the Metro Area to connect with 250 miles of existing trail; S.F. 3018, sponsored by Sen. Leonard Price (DFL-Woodbury), appropriating \$20 million to acquire and preserve natural areas in the Metro Area; and S.F. 2069, sponsored by Sen. Steve Kelley (DFL-Hopkins), authorizing \$1.5 million to develop a trail in St. Louis Park that connects with the Hennepin Parks regional trail system.

Nargang also presented other departmental budget requests. Those items include \$8.35 million to use as state matching grant money for local initiatives; \$1 million for water access projects; \$5.3 million to develop safe harbors along the North Shore of Lake Superior; \$11.5 million for fish and wildlife habitat projects; \$1.3 million to rehabilitate the state's fish hatcheries; and \$2 million to acquire and develop scientific and natural areas.

The division took no immediate action on the requests, but will consider the items when assembling the budget bills.

Family and Early Childhood Education Budget Division

Grant bills considered

The Family and Early Childhood Education Budget Division, chaired by Sen. Pat Piper (DFL-Austin), considered three bills and a bonding request at a meeting Fri., Feb. 6.

Sen. Sandra Pappas (DFL-St. Paul) sponsored S.F. 2823, a bill appropriating \$6 million from the bond proceeds fund for grants to construct and rehabilitate facilities for Head Start or other early childhood learning programs.

Pappas said the current number of facilities is already stretched to the limit, and as a result of welfare-to-work reform, the number of new kids in early-childhood education programs such as Head Start is expected to increase dramatically this fall. Jerry Kutz, director of the Development Corporation for Children, agreed, saying, "the demand is clearly increasing for high-quality early-education facilities." "This bill says the need is quite a bit greater than the \$3 million that is requested by the governor for

this," said Pappas. The bill requires that state appropriations for early-childhood learning programs receiving the grant be matched on a 50 percent basis with nonstate funds.

Pappas said one of the concerns the grant program is intended to address is the low wages of childcare workers, which lead to a high rate of turnover in the field. Kurtz explained that the grant allows an early-childhood education center to apply less toward debt service on the building, and therefore pay higher wages to workers. In the bill's original language, a provision requires the CFL commissioner to give priority to grants for programs paying child care workers wages in excess of 110 percent of the average wage for child care workers in the county.

There was concern among several members about the feasibility of measuring childcare workers' wages countywide in time to determine grant awards. Sen. Becky Lourey (DFL-Kerrick) offered an amendment to the bill, changing the language regarding childcare workers' wages to, "The commissioner may give priority to grants for programs that will increase their childcare workers' wages as a result of the grants." Pappas said she supported the amendment, and it was adopted. S.F. 2823, as amended, was laid on the table for further consideration in the omnibus bill, S.F. 3029.

Sen. Linda Higgins (DFL-Mpls.) presented S.F. 2251, a bill establishing a grant program to fund a statewide computer database of information and referral services, through a nonprofit corporation called First Call Minnesota. First Call currently operates 11 regional centers in Minnesota which assist families in accessing needed community services, including health services, social services, educational programs, housing, and employment and training services.

The bill specifies that First Call Minnesota will operate a statewide computer database containing a comprehensive listing of community services available throughout Minnesota. The computer database must collect and coordinate information from all of the regional systems and make it accessible statewide. The appropriation request is \$1.7 million.

Sara DeMay of First Call for Help at United Way, demonstrated to members how the statewide database is used by community service providers. She said the database allows any service provider

to access information on battered women's shelters, for example, anywhere in the state. When a service provider is called by someone in crisis, she said, the efficiency of using the statewide database system is extremely valuable.

Jerry Timian of First Call for Help, said there are over 100 agencies in the Metro Area that have the computer database available to staff. According to Timian, First Call plans to extend access to the database to sites at public libraries, the human resource departments of companies, and churches. Dean Fenner of the State Board on Aging, said the board's Senior Linkage Line will be linked to the First Call database, which is expected to greatly enhance its effectiveness as an information and referral service. S.F. 2251 was laid on the table for consideration in the division's omnibus bill.

Higgins presented S.F. 2431, a bill appropriating \$400,000 from the bond proceeds fund for a grant to establish the North Star Neighborhood Early Learning Center in North Minneapolis. The total cost of the project is \$2.4 million. North Star NELC is a joint effort of the city of Minneapolis, Minneapolis Public Schools, and the North Star Collaborative Council. Higgins said that virtually all children participating in the center will come from low-income families. S.F. 2431 was laid on the table for further consideration in the omnibus bill.

Connie Greer of the Dept. of Children, Families and Learning (CFL) presented a bonding request for Head Start/Early Childhood Learning programs. The request is for \$3 million for grants to construct or rehabilitate Head Start and other early childhood program facilities. Since 1992, the Legislature has provided \$7.5 million in the bonding bill for these grants.

Greer said that, as in previous years, CFL recommends that grants be awarded through a request for proposal process. Preference will be given to proposals that demonstrate collaboration between programs, include local matching funds, and come from communities with high levels of children living in poverty, she said. Stephanie Andrews of the Finance Department, said the department is satisfied with the proposal, but recommends a 50-percent local match requirement for the program in the future. The request will be considered along with others for inclusion in the bonding bill.

Capital budget bill advances

Chair Sen. Pat Piper (DFL-Austin) presented the early childhood bonding and omnibus budget bills to the Family and Early Childhood Education Budget Division, Tues., Feb. 10. She said it had been a painful task to look at all the requests and reconcile them with target budget amounts.

Piper presented S.F. 3029, the division's bonding bill, and said it contained a total appropriation of \$6 million. She said the bill emphasizes grants as a way to distribute appropriations because grant proposals should withstand the test of competition and expert scrutiny. She said the bill authorizes the commissioner of children, families, and learning to make grants to state agencies to construct or rehabilitate facilities for Head Start, early childhood and family education or intervention programs, family service collaboratives, or child visitation centers, with priority to centers in areas with highest number of children living in poverty.

Piper offered an oral amendment to add the requirement that state appropriations must be matched on a 50 percent basis with non-state funding to compel grantees to find private matching funds. After short discussion about geographic distribution requirements, the committee approved the bill as amended and referred it to the Children, Families and Learning Committee.

Piper then presented S.F. 2532, the division's omnibus supplemental budget bill, which she said meets the governor's \$15 million supplemental budget target for early childhood programs. Piper said the bill appropriates money for child care to transition year families in welfare assistance programs and requires that unexpended federal child care and development block grant money be deposited in the child care reserve accounts. Piper said the bill further allows the commissioner to use up to two percent of the annual state appropriation for adult basic education. She said the bill requests funds be allocated to the delivered fuel revolving fund for voluntary preseason purchase, to migrant and seasonal farm worker organizations for community action programs, to lead abatement swab team clean up, to abused children programs, and to emergency services grants. Finally, the bill requests appropriations for administrative costs associated with the children's trust fund,

and drug and violence prevention programs.

The committee held the bill over for further discussion.

Omnibus bill okayed

The Family and Early Childhood Education Budget Division, chaired by Sen. Pat Piper (DFL-Austin), continued testimony on the early childhood omnibus budget bill Wed., Feb. 11. The committee approved the bill, S.F. 2532, as amended and referred it to the Children, Families and Learning Committee.

The committee reconsidered the bill and adopted an author's amendment, Thurs., Feb. 12, to add a \$5 million increase in funding to the appropriation for the basic sliding fee child care program. The additional funding would significantly draw down the waiting list for services under this program to cover over 2,000 families.

Piper offered technical amendments to clarify language in the bill. Sen. Claire Robling (R-Prior Lake) offered an amendment to delete a sunset provision for interim age groupings in family day care settings. Sen. Leo Foley (DFL-Anoka) offered an amendment allowing the commissioner of children, families, and learning, to establish minimum training standards for providers who care for special needs children and who receive a state-approved special rate. Sen. Becky Lourey (DFL-Kerrick) offered a truncated version of her original amendment that provides a welfare work requirement exemption to caregivers with a business plan for self-employment, and requests agencies give consideration to school-age child care programs. The committee adopted the amendments.

Sen. Linda Higgins (DFL-Mpls.) offered an amendment to include private asset-building initiative language to existing statutes, which she said would position the state to receive future federal funding. The committee did not adopt the amendment.

Governmental Operations and Veterans Committee

Consumer office approved

The Governmental Operations and Veterans Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Thurs., Feb. 5, and took action on five bills, including one to create the Office

of Health Care Consumer Assistance.

S.F. 2146, authored by Sen. Steven Morse (DFL-Dakota), establishes an office where consumers can obtain health related information. "This office will provide one-stop shopping for people to solve problems with their health insurance," he said.

Morse said currently consumers must go to one of several governmental agencies to solve problems with their health care provider. "People are experiencing considerable delays trying to work within the current system," Morse said. "This bill will allow them to explore their options more easily."

Morse said under the bill, the free standing office has no regulatory power and must coordinate and share administrative services with the Office of the Ombudsman for Mental Health and Mental Retardation.

Sen. Charles Berg (IND-Chokio) asked how much the new office would cost tax payers. Morse replied that he expected the office's budget to be \$700,000 per year.

Sen. Linda Runbeck (R-Circle Pines) said if the Legislature passes the bill the state will be taking on the responsibility of making everyone happy with their health care.

S.F. 2146 was re-referred to the Health and Family Security Committee by a voice vote.

S.F. 2213, authored by Sen. Sam Solon (DFL-Duluth), permits improvements for the St. Louis County Heritage and Arts Center. Solon said the appropriation is available only as matched by \$2 of non-state money for every \$1 of state money.

St. Louis County Heritage & Arts Center Management Board Director, Peter Emerson said the project's two phase strategy is designed so each phase will independently contribute to completion of the full project. The bill was recommended to pass and sent to the Senate floor.

S.F. 2675, sponsored by Sen. Martha Robertson (R-Minnetonka), adds language to a provision on accumulated vacation leave, allowing for negotiations of collective bargaining agreements or recommendations of a compensation plan that permit employees to receive payment for accumulated vacation leave upon layoff. The bill was approved and recommended for the Consent Calendar.

S.F. 2516, authored by Sen. Dan Stevens (R-Mora), changes provisions

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relating to experimental research projects in the Dept. of Employee Relations. Stevens said the commissioner of employee relations, may conduct experimental or research projects designed to improve recruitment, selection, referral, or appointment processes for filling state classified positions. He added that the bill also requires the commissioner to report, by Sept. 1, to the Joint Subcommittee on Employee Relations the results of projects conducted in the preceding fiscal year. The bill was approved and sent to the Senate floor.

S.F. 2605, carried by Sen. Pat Piper (DFL-Austin), authorizes the Dept. of Health to enter into an agreement with the U.S. Nuclear Regulatory Commission to assume regulation over non-power sources of radiation. Piper said the bill authorizes the Department of Health to pursue an agreement that permits the department to adopt rules for the state assumption of regulations including the licensing and regulation of by-product, source, and special nuclear material not sufficient to form a critical mass. She added that S.F. 2605 also requires the commissioner of health to establish a advisory group to assist in preparing the state to meet the requirements for achieving an agreement. The bill was approved and sent to the Senate floor.

Endowment fund approved

The Governmental Operations and Veterans Committee met Tues., Feb. 10, and took action on four bills. The committee is chaired by Sen. James Metzen (DFL-South St. Paul).

S.F. 1809, authored by Sen. Douglas Johnson (DFL-Tower), directs the commissioner of administration to place a bust of Nellie Stone Johnson in the state Capitol. Sen. Douglas Johnson said Stone-Johnson will be the first woman and ethnic minority to have a statue displayed at the Capitol. He said she deserves the honor because throughout her life she has fought for civil rights and voting rights. He added that, in the 1940s she helped found the Farm Labor Party and was the first ethnic minority to serve on the State Library Board. "Minnesota has been slow in recognizing the achievements of women and people of color," Douglas Johnson said. "This is the kind of person we should be honoring."

Johnson said the project costs approximately \$20,000. The bill was approved

and referred to the Governmental Operations Budget Division.

S.F. 2242, also carried by Sen. Douglas Johnson, authorizes \$3 million from the bond proceeds fund for the city of Ely. Johnson said the money is for construction of a 14,000 square-foot building in Ely for the Dept. of Revenue. He added that \$2 million is used to construct and design the building, and the balance is for renovating the Dept. of Revenue's existing space to make way for the Ely Business Technology Center.

Elaine Hansen, commissioner of the Dept. of Administration, said the Dept. of Revenue has a number of problems with the current Ely facility and to bring it up to code would cost more than \$1 million. "This situation is good from our standpoint because the new building will be designed for the department," Hansen said.

Sen. Douglas Johnson said the money for the project is not included in the Governor's 1998 bonding request. The bill was recommended to pass and referred to the Governmental Operations Budget Division.

S.F. 2672, authored by Sen. Sam Solon (DFL-Duluth), authorizes the appropriation of \$1 million from the general fund for FY 98 to the Insurance Trust Fund. Solon said the bill was a fairness issue. He said the state removed \$4 million from the Insurance Trust Fund in FY 96 and another \$2 million last year. He added that the fund was going back to a self-insurance system and the money was needed. The bill was approved and sent to the Governmental Operations Budget Division.

S.F. 2775, carried by Sen. John Hottinger (DFL-Mankato), proposes an amendment to the constitution to create a permanent endowment fund to enhance the development of young children through age six. Under the bill the amendment will be placed on the 1998 general election ballot for approval by voters. Hottinger said the endowment gives Minnesota the chance to ensure children have the opportunity to learn and grow in their early years. He added that studies have shown a child's ability to learn is largely tied to what happens in the early years of life. "If we don't give children the right kind of start our society will pay for it later," Hottinger said.

Hottinger said the bill establishes the

fund as an account in the state treasury to be invested by the State Board of Investment. He said that all money earned on investments will be credited to the fund and used for activities on behalf of children. The bill was approved and re-referred to the Children, Families, and Learning Committee by a voice vote.

Three bills okayed

The Governmental Operations and Veterans Committee, chaired by Sen. James Metzen (DFL-South St. Paul), met Wed., Feb. 11, to approve three bills.

S.F. 2609, Authored by Sen. Dean Johnson (R-Willmar) codifies continuing authority for the commissioner of administration to enter into design-build contracts. Dean Johnson said the bill sets out criteria and procedures for selection of design-build contractors on a qualification-based basis and on a design-based basis. He said that the bill also adds a representative of the Minnesota chapter of the Associated General Contractors to the Designer Selection Board. The bill was recommended to pass and sent to the Senate floor.

S.F. 2457, carried by Sen. Carol Flynn (DFL-Mpls.), permits the Rural Finance Authority and the Housing Finance Agency to conduct meetings by telephone or other electronic means. Flynn said the authority of both agencies was to expire June 30, 1998. She added that the bill makes the authority permanent for the Housing Finance Agency. The bill was approved by voice vote and recommended for the Consent Calendar.

S.F. 2752, authored by Sen. Deanna Wiener (DFL-Eagan), establishes a construction code advisory council. Wiener said the council will make recommendations with respect to building and construction codes in the state. She added that the bill clarifies the council's duties and the appointment process of its members. The bill was approved and sent to the Senate floor.

Governmental Operations Budget Division

Budget requests heard

The Governmental Operations Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), met Tues., Feb. 10, to consider three budget requests for

inclusion in the division's omnibus bill. Sen. Lawrence Pogemiller (DFL-Mpls.) said that his bill, S.F. 2430, to appropriate \$100,000 to the Secretary of State's Office is designed to save the state money in the long run. According to Pogemiller, the appropriation is for necessary changes to the statewide voter registration system to facilitate reassignment of voters to the correct precinct and election districts following legislative redistricting in 2002. Pogemiller said that the office is in the process of changing computer systems and that the programmers suggested additional changes relating to redistricting be done now rather than after redistricting.

Harry Baltzer, executive director, Gambling Control Board, said that the board is requesting a supplemental appropriation of \$8,000 for licensing of the sales personnel of gambling distributors. He said that the board estimates the costs of licensing to be about \$25 and that there about 325 individuals who must be licensed.

The final requests, from Kathleen Burek, Dept. of Employee Relations, involves the phaseout of the Minnesota Employers Insurance Program. Burek said that the program was created to assist small businesses in obtaining health care insurance but that the program did not attract the numbers of businesses originally anticipated. In addition, increased competition from small group insurance reforms has resulted in a markedly improved insurance market for small private employers. As a result, the program is aiding the current members to find other carriers and is being terminated. The governor recommends the amount required to be repaid to the Health Care Access Fund by the Minnesota Employers' Insurance program be lowered by a net of \$1.775 million, Burek said.

Burek also presented a proposal to expand eligibility for employer-paid insurance premiums for part-time seasonal employees. Burek said the estimated cost to expand eligibility for the current biennium totals \$435,000.

AG budget discussion continues

Discussion on the FY 99 budget for the Attorney General's Office and the disagreement between the governor and the attorney general on the amount was the main topic of conversation at the

Weds., Feb. 11, meeting of the Governmental Operations Budget Division.

Finance Commissioner Wayne Simoneau appeared before the panel to explain the governor's position on the matter. Simoneau brought to the panel a proposal to create an interim task force to study the issues around the budget conflict and figure out a way to resolve the differences. Simoneau said that the task force should consider the suitability of the current funding mechanism, hourly rates charged by attorneys, and side agreements with partner agencies.

In characterizing the issues in the dispute, Sen. Martha Robertson (R-Minnetonka) asked Simoneau if it is a matter of determining what part of the budget request is for the base appropriation and technology acquisition versus what part is for doing legal work for other public agencies. Simoneau agreed with the characterization and added that forecasting the anticipated budgetary need is another component of the dispute.

Division Chair Leonard Price (DFL-Woodbury) asked Simoneau if state agencies are expected to absorb rising costs of legal work performed by the Attorney General's Office in the agencies' budgets. Simoneau said no, and the governor's office recommended percentages for that part of each agency's budget to increase to cover the increased legal costs.

Lee Sheehy, Chief Deputy Attorney General, disagreed with Simoneau. He said that state agencies were told that they may not increase their base budget amounts in FY 98-99 to cover increased legal costs. Sheehy added that he was encouraged to see Simoneau's proposal for an interim study to resolve the problem. In summarizing the testimony, Price said that all sides can agree on the interim study, but there is still disagreement on the Attorney General's Office budget amount for FY 99. That, he said, is the committee's job to decide.

The panel also heard from Assistant Finance Commissioner Peggy Ingison on S.F. 2523, sponsored by Sen. Dennis Frederickson (R-New Ulm). Ingison said the bill proposes changes in the requirements of what information must be provided in budget recommendation documents. She said some required information isn't needed and some needed information isn't required.

Ingison said the department is committed to work with the various Legislative budget divisions to make sure Legislators get the information they need.

General Gary LeBlanc from the Dept. of Military Affairs also appeared before the division to present the department's request for additional funding. Included in the request is \$880,000 for kitchen repairs to address health and safety code violations at state armories, and \$900,000 for asset preservation efforts. LeBlanc said the department is willing to share its facilities for use with other agency's programs, and needs the money to insure the continued availability of those facilities.

Higher Education Budget Division

Regent selection process discussed

Speaking before the Higher Education Budget Division Fri., Feb. 6, Sen. David Ten Eyck (DFL-East Gull Lake) said that S.F. 2522 is an attempt to make the regent selection process for the U of M more "candidate friendly."

The bill, authored by Ten Eyck, was the result of changes to the process recommended by a joint subcommittee convened last year to look at the issues involved. "We tried to look at all the possibilities," said Ten Eyck.

He said that the subcommittee struggled with two problems. The first relates to the level of partisanship involved in the regent selection process. Ten Eyck said that the subcommittee attempted to come up with solutions for taking "politics out of the mix." The second problem, he said, was how to reduce the level of lobbying necessary by the candidates. The subcommittee decided that it was not really possible to remove the two problems entirely, but that the impacts could be lessened, he said.

Ten Eyck then went through major points of the bill. The bill requires at least five members of the Board of Regents to reside in the seven-county Metro Area, and at least five to reside outside of it. The bill also reduces the membership of the Regent Candidate Advisory Council, and changes the appointing process. The bill clarifies that the advisory council must recommend at least two candidates for each vacancy on

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the Board of Regents, moves up the recommendation date from March 15 to Feb. 1, and encourages the governor to endorse regent candidates. In addition, the bill terminates current members of the advisory council by June 30, 1998, and requires their replacement the next day. Finally, the bill repeals the requirement for congressional district representation on the Board of Regents.

Issues debated by members of the division included the number of members on the advisory council, and the methods by which regents are appointed.

Sen. Steve Kelley (DFL-Hopkins) said that the language in the bill presented a "number of uncertainties," and offered a hypothetical situation showing how the Metro Area could dominate if the at-large regent seats both came from the Metro Area.

Sen. Sam Solon (DFL-Duluth) echoed Kelley's concern. "I'm trying to figure out if you're fixing the problem or making it worse," he said.

Ten Eyck said the subcommittee tried to shift the distribution of advisory council appointing authority across a broader base, and as a result looked at different ratios of how to appoint the council members. The subcommittee decided that the majority leaders in the House and Senate will each have the power to appoint four council seats, and the minority leaders will each have the power to appoint one council seat, he said. Other options considered included three appointments for the majority leader and two appointments for the minority leader, or even expanding the total membership of the council from 15 to 18.

Rondi Erickson of the U of M Alumni Association said that a citizen committee appointed by the association in 1996 studied the regent selection process. She noted that the number of vacancies on the Regent Candidate Advisory Council was one of the concerns the committee raised. She said that evenly distributing the power to appoint council seats, with one-third of the vacancies each filled by the Senate, House of Representatives, and governor, would encourage the seats to be filled in a timely fashion through competition among the three bodies to appoint candidates.

After amending the membership of the advisory council to include 18 members, four appointed by each majority leader

and two by each minority leader in the Senate and House of Representatives, and six by the governor, the division recommended the bill for approval and re-referred it to the Children, Families and Learning Committee.

MnSCU capital budget presented

Various colleges and universities within the MnSCU system presented a 'virtual bonding tour' of their campuses to the Higher Education Budget Division Tues., Feb. 10. Half of the schools presenting their capital budget requests used an interactive television feed to show video clips demonstrating how the funds would be used, or to link school administrators with the division members. The demonstration was meant to be a "first-of-its-kind tour of colleges across the state," said MnSCU Vice Chancellor Laura King. The demonstration, she said, was meant to provide a broad overview.

Northland Community College was one of the four schools to present interactive demonstrations. Through a live video feed, Northland President Orley Gunderson began his school's capital budget request with an overview and breakdown of the \$4 million requested by the school. He then turned division members' attention to another screen, which showed a video clip describing the school's history and showing how the funds would be used to provide new entrances and a main parking lot.

Interactive capital budget requests from Ridgewater College, Winona State University, and Moorhead State University followed the Northland presentation, utilizing similar mixes of live and taped demonstration.

Presenting their schools' capital requests in person were South Central Technical College, Rochester Community and Technical College, Bemidji State University, and Hibbing Community College.

The schools' capital requests are part of a total package of \$214 million requested by MnSCU this year for capital improvements.

MnSCU capital budget continues

The Higher Education Budget Division met twice on Weds., Feb. 11, to wrap up the capital budget presentations by various colleges within the MnSCU

system and hear appropriation riders for the higher education supplemental budget bill.

Representatives from St. Paul Technical College and Inver Hills Community College discussed funding for various building renovations and additions. For the St. Paul Technical College, the request included funding for numerous projects, such as a new main vestibule area, a central student support area, renovated chemical storage facilities and kitchens, and improved hallway lighting.

Much of the request offered by Inver Hills Community College centered around a proposed new instructional building, which would house programs as varied as emergency health services, fitness rooms, and chemistry and biology laboratories.

Two bills were heard regarding the U of M and MnSCU systems. S.F. 2531, authored by Sen. Cal Larson (R-Fergus Falls), requests a proposal from the MnSCU system to develop a partnership with private industry to train hard-to-place employees. Micheal Rask, the executive director of the Minnesota State Council on Vocational Technical Education, said that the council typically opposes such projects, but supports this bill. "Basically, we're talking about helping those people who have been unsuccessful in traditional educational avenues," he said. The bill was laid over.

S.F. 2923, authored by Sen. John Hottinger (DFL-Mankato), appropriates \$250,000 from the general fund to the U of M for the law clinic program within the law school. Hottinger said the law clinic program gives student lawyers an understanding of what real world problems are like, but the U of M doesn't have the internal funds to adequately fund the program. He also said that more and more young people are turning to such programs to obtain affordable legal assistance. Sen. Sheila Kiscaden (R-Rochester) said that it was somewhat awkward to be funding a program for the U of M that wasn't initiated by the U of M, considering that the university's requests couldn't possibly all be funded. The bill was laid over for consideration in the evening meeting of the division. Later, the bill was deleted from the higher education supplemental budget bill.

MnSCU officials wrapped up the capital budget presentation with a

discussion of the MnSCU system's strategic capital plan for the next six years. They also presented a detailed explanation of a number of projects prioritized by need. Michael Vekich, chair of the MnSCU system, said there were five main priorities for the six-year plan, including the repair and improvement of existing building space, consolidating campuses, adding new space, developing facility data for future planning, and replacing facilities. Various MnSCU officials then discussed 23 prioritized capital budget requests, as well as the governor's five additional capital requests for MnSCU.

Health and Family Security

AIDS overview, STD bill gains

Members of the Health and Family Security Committee, chaired by Sen. John Hottinger (DFL-Mankato) heard powerful testimony on the treatment of AIDS and the need to increase funding for prevention and education programs, Thurs., Feb. 5. The committee referred two bills to the Health and Family Security Budget Division.

Bob Tracy, director of public policy, Minnesota AIDS Project, gave an overview of the impact of new research and treatments on HIV prevention and care. The theme of his presentation, and of speakers to follow, was that the battle to find a cure continues even though AIDS deaths are declining. Teddie Peterson, RN, HealthSpan Home Care, asked Legislators to consider the policy implications of people with AIDS living longer and fuller lives. Sen. Linda Berglin (DFL-Mpls.) said Peterson's point highlighted the dilemma of AIDS patients having to choose between employment or maintaining medical assistance, since employers often refuse to provide health coverage for pre-existing conditions.

Dr. Tim Schacker, University of Minnesota, and Dr. Frank Rhame, The Doctors Clinic, also raised the policy implications of increased costs for AIDS medications--particularly the new drug cocktail that helps HIV patients live longer--and increased costs for outpatient care. Damon Schwab and Nancie Gonzalez-Sturdevant, AIDS survivors, testified to the economic and emotional impact of living longer with the disease.

Sen. David Ten Eyck (DFL-East Gull

Lake) then presented S.F. 2639, a bill that appropriates money for sexually transmitted disease (STD) prevention initiatives. Ten Eyck cited STD statistics, and testimony confirming the link between transmission of AIDS and STDs, as impetus for the bill. "I am concerned for the health of our young people...a population that may be unaware, lacking information, and afraid to seek diagnosis," he said. Cheryl Sherry, director, Common Health Clinic, Stillwater, said the bill creates a new health care infrastructure to launch statewide public awareness and education campaigns, track data to be used in a comprehensive prevention and treatment plan, and conduct laboratory screenings for STDs. The bill was recommended to pass and referred to the budget division.

S.F. 2411, authored by Sen. Douglas Johnson (DFL-Tower), requires the commissioner of health to collect and analyze data on the increasing incidence of respiratory diseases in northeastern and central Minnesota to aid in determining the underlying causes of these diseases. Although the bill provides for a limited pilot program, Johnson said the occurrence of the diseases, such as mesothelioma and asbestosis, is found statewide. He said he hopes the surveillance system, along with the existing cancer surveillance registry, aids health officials in their battle to understand the links between these diseases and workplace hazards. The bill requires the commissioner to submit a report on the findings and recommendations to the Legislature by Jan. 15, 1999. The committee approved the measure and referred it to the budget division.

Sen. Linda Berglin (DFL-Mpls.) presented S.F. 2633, a bill modifying Dept. of Human Services health care programs, and three amendments. The bill was held over for future discussion.

Welfare testimony, food bills gain

The Health and Family Services Committee, Fri., Feb. 6, meeting began with testimony on the impact of welfare reform and proposals underway to modify last year's package. Two bills advanced to policy committees. Sen. John Hottinger (DFL-Mankato) chaired the meeting.

Supporters of Senate bills modifying welfare reform uniformly cited the need to include education in job search categories, restore food stamp benefits

and child support assistance, and modify provisions requiring participants to accept first job offers, regardless of how they meet family and personal requirements. Deb Konechne, Welfare Rights Coalition, said she is already hearing "horror stories" about the hardships imposed by Minnesota Family Investment Program-Statewide (MFIP-S), which is now into its second month of implementation. She said current provisions, "abuse, punish, hinder, and set up to fail" participants who want to pursue education or liveable-wage jobs.

Susal Stebbins, Minnesota chapter, National Organization for Women, said that the average income for women who pursue higher education jumps from \$13,760 for women with high school diplomas to over \$29,000 for those with a bachelor's degree. She said that education creates job skills that keep women permanently off welfare rolls. Stebbins said she has heard stories that MFIP participants were told in the summer and fall to drop out of degree programs or lose child care and other assistance.

Tom Stoltz and Bob Trewartha, Minnesota School of Business, described the school's model program that provides job training and placement to low income students. Stoltz said the program emphasizes training, job retention, and long-term goals. They said students are discovering case workers who have differing interpretations of training provisions in last year's legislation. Trewartha said case workers are telling students that job placement, not training, is the only available option.

Judy Velin, Jewish Federation, asked committee members to remove the requirement that legal immigrants cannot receive assistance unless they are disabled or caring for children with disabilities. She cited the plight of elderly resettled refugees from the former Soviet Union.

Sen. Martha Robertson (R-Minnetonka) said she wanted to hear the Dept. of Human Service response to anecdotal evidence from witnesses. She said glitches are inevitable with nearly 40,000 people going through the transition period.

Deb Huskins, assistant commissioner, said that case workers can allow education as an option but the emphasis is presently on job placement. She said current legislation does allow for education but said, "it is appropriate for

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Legislators to have discussions about the right balance.” Huskins said further that the federally mandated 60-month lifetime assistance limit drives job search deadlines, which are too short, creating an uneasy situation for both human services employees and recipients.

Sen. Becky Lourey (DFL-Kerrick) presented a bill, S.F. 2521, extending food benefits for certain noncitizens for one year, on behalf of the author, Sen. Don Samuelson (DFL-Brainerd). The committee approved the measure and referred it to the budget division.

S.F. 2780, authored by Sen. Linda Berglin (DFL-Mpls.), extends the MFIP-S food portion for legal immigrants and deletes a cutoff date for eligibility. Sen. Sheila Kiscaden (R-Rochester) offered an amendment, which was adopted, to continue an average per person food assistance until the new program is implemented in October. The bill as amended was referred to the budget division. The remaining bills on the agenda were held over for further discussion.

Welfare reform bills okayed

Sen. John Hottinger (DFL-Mankato) chaired two meetings of the Health and Family Security Committee, Tues., Feb. 10. The committee advanced two bills modifying provisions in last year’s welfare reform package.

S.F. 2631, authored by Sen. Linda Berglin, modifies provisions in the Minnesota Family Investment Program-Statewide (MFIP-S), now in its second month of implementation. Berglin said the bill allows for one year medical and child care assistance coverage to participants who choose to opt out of MFIP-S, exempts participants who provide disabled care for household members from the 60-month lifetime assistance requirement, and requires that job counselors at MFIP-S orientations describe the range of work activities allowable under the program.

Committee members discussed at length the dilemma that exists between the legislative intent last year to emphasize job placement and current efforts to modify the program to address constituent concerns regarding education, work activities, job search plans, and reduced assistance.

The author and committee members then offered amendments to the bill.

Berglin offered amendments, which were adopted, to delete controversial sections and modify language. Berglin said she wants case workers specify the range of work and training activities that are allowable under MFIP-S to meet the individual needs of participants. The adopted amendments also loosen work hour requirements for single-parent homes, and provide for coordination between state and local agencies to prevent duplication of efforts and ensure participants move toward self-sufficiency. Sen. Martha Robertson (R-Minnetonka) offered an amendment on literacy and math screening. Other amendments were offered and adopted.

The committee approved the measure and sent it to the Senate floor.

Berglin’s other bill before the committee, S.F. 2567, loosening up work requirements in favor of greater education and training opportunities, failed to gain committee approval after a tie (8-8) roll call vote.

Sen. Dan Stevens (R-Mora) presented S.F. 2340, a bill that also modifies last year’s welfare reform program, amends the work first and food assistance programs, and makes changes to the licensing of nonresidential child care. Deb Huskins, assistant commissioner, Dept. of Human Services, said the bill also modifies language to maximize the state draw of federal Temporary Assistance for Needy Families funding.

Stevens offered amendments, which were adopted, to tighten language, and delete a provision with a fiscal impact. Hottinger offered an amendment to provide emergency service funds to migrant workers who meet time and income requirements. After discussion about how to compel businesses to pay emergency service costs, the Senators adopted the amendment. Other amendments were offered and adopted. Berglin’s amendment, requiring the commissioner to make a case reviewer available to program participants, was not adopted.

S.F. 2343, authored by Sen. Sam Solon (DFL-Duluth), also modifies welfare provisions. Solon said many of the program modifications in his bill are covered in other bills before policy committees. He said he was proud of the effort put into the bill, realized the need to be practical, and deferred to the wisdom of the committee. The commit-

tee debated moves to refer the measure to either the budget division or the floor. Sen. Don Betzold (DFL-Fridley) offered a superior motion to table the bill, which prevailed.

S.F. 2861, authored by Hottinger, providing for the use of automatic external defibrillators in emergency treatment and granting protection under the Good Samaritan Law, was approved and referred to the Judiciary Committee.

Health and Family Security Budget Division

Nursing home bills heard

The Health and Family Security Budget Division heard testimony only on twelve bills, Mon., Feb. 9, that members will consider later for the omnibus budget bill.

Most of the bills provide adjustments to nursing home rate limits. Sen. Linda Berglin (DFL-Mpls.) asked the division to consider a general fix to the rate adjustment requests to prevent numerous individual requests coming before the Legislature in the future.

S.F. 2720, authored by Sen. Steven Novak (DFL-New Brighton), establishes a special property rate setting procedure for a 122-bed nursing home in Columbia Heights. S.F. 2937, authored by Sen. Bob Lessard, (DFL-Int’l Falls), also extends a rate limits exemption for a nursing facility. Berglin said she did not fully understand the need for an additional exemption for the facility since they had received an earlier one. She asked the Dept. of Human Services to provide clarification later on the terms of the exemption.

Sen. Roy Terwilliger (R-Edina) presented S.F. 2620, a bill that provides rate exceptions for Volunteers for America nursing homes in Hennepin, Ramsey, and Brown Counties. The bill has a fiscal impact of \$87,000 for FY 1999. S.F. 2184, authored by Sen. Jerry Janezich (DFL-Chisholm), also provides a nursing home rate increase and has a fiscal impact of \$30,000 in FY 1999. S.F. 2984, authored by Sen. Dave Kleis (R-St.Cloud), asked for an exception to the moratorium on certification of nursing home beds in Waite Park and Red Wing--the fiscal impact is \$146,000 in FY 1999.

Sen. Steve Kelley (DFL-Hopkins),

author of S.F. 2542, said his measure would make restitution, in effect, to a trust company that had lost nursing home certification because of a Dept. of Health error in interpreting a statute dealing with beneficial trusts. The fiscal impact is \$343,000 in FY 1999. Sen. Sheila Kiscaden (R-Rochester) said the cost of fixing the error is more than the original loss to the trust and recreates a 122-bed nursing home facility when the state is reducing the number of beds.

S.F. 2601, authored by Sen. Leo Foley (DFL-Anoka), authorizes the conveyance of land in Anoka County from the commissioner of administration to Anoka County.

Berglin presented S.F. 2400 and S.F. 2401, bills that, respectively, provide rate adjustments for special care facilities for mentally ill young adults and delete obsolete reimbursement provisions in statutes regarding a facility treating traumatic brain injury patients. S.F. 2400 has a fiscal impact of \$248,000.

S.F. 2188, authored by Sen. Becky Lourey (DFL-Kerrick), extends the moratorium deadline for construction on a nursing home facility in Carlton County because of unexpected soil problems. Lourey also presented S.F. 2967, a bill that requests a \$25,000 appropriation be given to the commissioner of human services to study the unmet capital needs of disabled day training and habilitation vendors and report back to the Legislature in 1999. Finally, S.F. 2406, authored by Sen. Ellen Anderson (DFL-St. Paul), provides \$500,000 for at-home visits to families at risk of child abuse.

Health bills heard

Chair Sen. Don Samuelson (DFL-Brainerd) asked for presentations only, Mon., Feb. 9, on health bills that will be held over for consideration in the division's omnibus budget bill. Sen. Linda Berglin (DFL-Mpls.) presented S.F. 2112, a bill that requests an appropriation for the Metropolitan Area Agency on Aging. Berglin said the bill covers funding lost when the Metropolitan Council voted to make it an independent agency. Shirley Hokanson, the agency's representative, said they provide basic food service to the elderly, such as Meals on Wheels. S.F. 2107, authored by Berglin, clarifies liability language so that a personal care assistant, delegated by a registered nurse,

can provide tracheostomy suctioning services. S.F. 2632, also authored by Berglin, increases the income eligibility standard for the aged, blind, and disabled to \$467 per month from \$420 per month. The fiscal impact is \$4.5 million for FY 1999.

S.F. 2157, authored by Sen. Dallas Sams (DFL-Staples), increases payment for General Assistance Medical Care ambulance services. O.J. Doyle, Minnesota Ambulance Association, said the last increase for ambulance services was in 1990. Samuelson asked Doyle to comment on frequent constituent complaints about the high cost of ambulance services. Doyle said the high cost is built into round-the-clock preparedness and not the actual cost of a one-time ambulance service.

S.F. 2234, authored by Samuelson, authorizes residents of group residential housing who have a spouse residing in the community to share income to meet eligibility requirements. Samuelson said having one countable income prevents the spouse from being put into poverty. Samuelson then presented S.F. 2233, a bill that covers cost of living increases for a variety of health care service providers that will no longer be covered under the Boren Amendment. Bruce Nelson, Association of Residential Resources, said a work force crisis exists in nursing homes that have spend-up penalties and are thereby unable to increase wages and starting salaries. He said there is a 50 percent turnover rate at some facilities because of poor wages and working conditions.

S.F. 2521, also authored by Samuelson, offers a one-time fix in restoring federal reductions in food stamp and housing programs. The bill extends food benefits for certain noncitizens, delays for one year Minnesota Family Investment Program-Statewide (MFIP-S) requirements to count the first \$100 of housing subsidies as income, and requests \$5 million in appropriations for MFIP-S employment and training costs.

Human Resources Finance

Bonding testimony heard

The Human Resources Finance Committee heard testimony, Thurs., Feb. 5, on the governor's bonding recommendations. Sen. Linda Berglin (DFL-Mpls.) chairs the committee.

Dennis Benson, deputy commissioner, and Erik Skon, assistant commissioner, Dept. of Corrections, discussed the department's bonding proposals and told the committee they are developing strategies to keep costs down, including double-bunking in corrections facilities. The total funding request is \$17.8 million for new facilities in Shakopee (\$6.9 million), Lino Lakes (\$344,000; with \$7.6 million in federal funds), Oak Park Heights (\$3.3 million), St. Cloud upgrade (\$1.9 million), and a fence for the Red Wing facility (\$1.2 million). Benson said the bonding request also includes \$4.1 million in asset preservation plans.

Sen. Randy Kelly (DFL-St. Paul) said Legislators should target more money at asset preservation programs to save existing facilities. Sen. Allan Spear (DFL-Mpls.) said he hoped current legislation to beef up crime prevention programs would have the intended effect of reducing the prison population.

Richard Zierdt, Veterans Home Board, said that the infrastructure problems at Veteran's homes in Minneapolis and Hastings were so critical that "one or both will be closed before the next bonding session, if money is not appropriated." The Dept. of Administration has a 1998 state appropriation request of \$6.34 million for the Minneapolis facility and \$5.7 million for the Hastings home to be used primarily to replace, repair and upgrade faulty utility systems. Zierdt said they receive no federal dollars for infrastructure work.

Terry Kuhlman, executive director, Public Facilities Authority, Dept. of Trade and Economic Development also spoke. He said the department requests a total of \$18 million to provide state matching funds for both the Drinking Water Revolving Fund and the Water Pollution Control Revolving Fund. The drinking water fund provides low interest loans to suppliers to improve or construct drinking water storage, conveyance and treatment systems. The water pollution fund provides low interest loans to municipalities to improve and construct wastewater treatment facilities. Kuhlman said the demand for loan requests far exceeds available resources to make loans.

Nicholas O'Hara, superintendent, Bureau of Criminal Apprehension (BCA), said the Dept. of Public Safety requests funding in the 1998 biennial

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bonding cycle for a new BCA facility to meet mission and program needs into the 21st century. He said the project budget of \$62.8 million represents the most cost effective alternative to meet demands for high-quality crime and scientific laboratories, training, and services related to criminal justice. Sen. Sheila Kiscaden (R-Rochester) asked if the BCA had considered sharing the facility or co-locating with other criminal investigation units such as the coroner's office. O'Hara said sharing crime labs was impractical, but said the BCA has considered the possibility of sharing common facilities, such as a campus-style common area with shared cafeterias and parking lots.

Finally, the Dept. of Economic Security submitted a written summary of the governor's Pine Technical College legislative initiative. The bonding request includes \$1.7 million for internal remodeling which allows the addition of new training programs, including robotics and robotics repair.

Jobs, Energy, and Community Development

Anti-slamming bill heard

The Jobs, Energy, and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton), met Thurs., Feb. 5, to discuss a telecommunications bill that establishes stricter consumer protection regulations.

S.F. 2797, authored by Novak, changes state law relating to telecommunications by providing additional anti-slamming and disclosure requirements on long-distance service providers. The bill also clarifies requirements notifying consumers of price increases. Novak said the bill also includes provisions relating to the unauthorized use of international calls for adult oriented information.

Novak said the bill is a result of hundreds of consumer complaints from businesses and residents in Minnesota. "We need to protect consumer's rights," Novak said.

Novak said the bill changes the obligations of a telecommunications carrier when soliciting a customer to change to the service of that carrier. Current law requires the carrier to obtain the authorization of the customer prior to requesting a change in the customer's long-distance provider. He said new provisions require that prior to requesting

a person change, the carrier must confirm the identity of the customer, that the customer has been informed of the offer of the carrier, that the customer understands that the customer is being asked to change telecommunications carriers, that the customer has the authority to authorize the change, and that the customer agrees to the change.

The long-distance carrier, Novak added, must be able to produce evidence of carrier verified authorization and must notify the customer in writing that the request has been processed. He said the bill has three major provisions. First, it is designed to stop the practice of "slamming", which is the unauthorized change of a person's long distance program without consent. Second, the bill requires firms to disclose prices to consumers and to inform them of price increases with telephone bill inserts instead of newspaper advertising. And third, the bill restricts access to psychic and sex lines by requiring companies to allow blocking features.

Assistant Attorney General Scott Wilensky said the state needs to take some action on the issues to protect consumer rights. "Consumer complaint calls we receive at the Attorney General's Office have been increasing consistently for the last few years," Wilensky said.

Vic Dobras, representing Sprint, said the telecommunications company does not support the bill as it is currently written.

AT&T Representative Teresa Lynch said her company supports the bill's anti-slamming provisions, but in general the other provisions go further than federal law and are anti-competitive.

Phyllis Harvin, a U.S. West representative, said the bill aims at the elephant and hits the mouse. "We are concerned about the affects of this bill on local telephone carriers that did not create or contribute to the problems," she said.

Anti-slamming bill okayed

The Jobs, Energy, and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton), and the Economic Development Budget Division, chaired by Sen. Tracy Beckman (DFL-Bricelyn), met Fri., Feb. 6, and approved four bills.

S.F. 2797, authored by Novak, changes state law relating to telecommunications by providing additional anti-slamming

and disclosure requirements on long-distance service providers. The bill also clarifies requirements for notifying consumers of price increases. Novak said the bill also includes provisions relating to the unauthorized use of international calls for adult oriented information.

Novak said, since the last committee meeting, S.F. 2797 has gotten support from some telecommunications industry representatives and that he will continue to work with other companies to get their support for the new provisions. "This moves in our direction, but the bill is still overreaching in our opinion," said Bill Strusinski, a MCI representative. The bill was approved as amended and sent to the Senate floor.

S.F. 2327, carried by Beckman, provides a tax credit for employers that make a cash contribution to employee housing. Beckman said under the bill's provisions, tax credits to employers cannot total more than \$250,000 per year and are limited to 50 percent of the employer's contribution. He added that tax credits for the program can't total more than \$10 million each year.

Beckman said the bill also appropriates \$30 million to the Housing Finance Agency for the Affordable Rental Investment and Community Rehabilitation Programs. Beckman added that the tax credit and appropriation are contingent on the Housing Finance Agency receiving a commitment of \$10 million from non-state resources that would be used in coordination with the agency's program.

President of the Family Housing Fund Tom Fulton said the bill establishes a proper balance between urban and rural housing needs. "This is the kind of private public partnership Minnesota families need," Fulton said.

The committee agreed to refer the bill's tax provisions to the Committee on Taxes and to send the funding provisions to the Economic Development Budget Division.

S.F. 2582, also authored by Beckman, requires competitors of small telephone companies to offer service throughout an exchange area within 12 months of the date the applicant provides service to any customer in that area. Beckman said that without the bill the rural areas served by small telephone companies will suffer under deregulation. "It is only right and fair that competitors to the existing telephone industry must offer service to

all customers in the service area, not just a lucrative few," Beckman added.

Edward Garvey, chair of the Minnesota Public Utilities Commission, said the question before the committee is whether a competitor telephone company must serve the entire service area of the incumbent small telephone company. He said after months considering the issue, the commission concluded that it was not in the state's long-term interest to impose such requirements. "State and federal law has charged the commission with tearing down walls that both inhibit and protect incumbent telephone companies and to create a competitive, consumer-driven marketplace," Garvey said.

Paul Hoff, of the Park Region Telephone Co-op, said small incumbent telephone companies serve a high population of rural customers that are at risk because it is not profitable for firms entering a market to serve them. "These changes assure that all residents of a community will see the benefits of improvements in technology and service," Hoff added.

The committee approved the bill and sent it to the Senate floor.

Assistance program heard

The Jobs, Energy, and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton), met Tues., Feb. 10, and approved a bill that makes changes to the state's Telephone Assistance Plan.

S.F. 2781, sponsored by Sen. Steve Kelley (DFL-Hopkins), changes the Telephone Assistance Plan to address recent changes in a federal telephone assistance program known as the Lifeline program. Kelley said to be eligible for the state's program residents must have an income at or below 150 percent of the poverty line. He added that the program is designed to allow citizens access to telephone services in Minnesota. Kelley added that everyone benefits from the telephone system and increased access for people means that more value is added to the whole system.

Kelley said the program is funded using charges on each telephone line in Minnesota. He added the charges are phased in over a number of years topping out at a 30 cent charge per phone line each month. "People pay based on how many phone lines they have," Kelley said.

Victor Dobras, a Sprint Representative,

said the communications company is not opposed to the general objectives in the bill, but reservations exist about how the program is funded. "We think the bill is a social program and should be funded using money from the state's general fund instead of charging current telephone users," Dobras said.

An amendment was adopted, offered by Sen. Linda Runbeck (R-Circle Pines), removing wireless services from those that pay a monthly fee for the program. "These people will be paying double to the plan because they already pay for their home line," Runbeck said. The amendment was approved by voice vote. The bill was approved as amended and sent to the Senate floor.

S.F. 2098, also authored by Kelley, authorizes municipalities to provide telecommunications services, upon a simple majority vote of citizens of the municipality. Kelley said the bill's intent is to streamline the formation of municipal telecommunications entities in order to provide price and service competition for basic and advanced services.

Kelley said current law requires a super majority (65 percent) of those voting in a local election to authorize a municipality to operate a local exchange. He added that the bill requires a municipality to hold a properly noticed public hearing prior to a vote by citizens. The bill was approved and sent to the Senate floor.

S.F. 2574, carried by Sen. David Ten Eyck (DFL-East Gull Lake), authorizes the Headwaters Regional Development Commission to establish a nonprofit housing corporation. Ten Eyck said the purpose of the nonprofit corporation is to increase the supply of affordable housing and to improve the opportunity for home ownership in the development region. He added that under the bill, the corporation, among other things, may acquire land, accept grant and loan funds from the state and federal government, and construct, rehabilitate and sell homes. The bill was approved and sent to the Senate floor.

Nursing mother bill okayed

The Jobs, Energy and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton), met Wed., Feb. 11, and approved four bills.

S.F. 2751, authored by Sen. Ellen Anderson (DFL-St. Paul), requires

employers to provide reasonable unpaid break time each day to an employee who needs to express breast milk for her infant child. Anderson said the employer must make reasonable efforts to provide a room or other location, besides a toilet stall, where the employee can express milk in privacy. The bill was approved and sent to the Senate floor.

S.F. 404, also authored by Anderson, modifies provisions relating to employment contracts with respect to non-English speaking workers. Anderson said the bill requires employers to provide an information card containing employment rights to all new employees. She said under the bill the commissioner of labor and industry will provide a single standard form for use in making the disclosure. She added that the bill also provides appropriations from the general fund, to the commissioner of labor and industry, to develop and implement a public awareness campaign on the issue. The bill was approved and re-referred to the Economic Development Budget Division.

S.F. 2847, carried by Sen. Mark Ourada (R-Buffalo) provides for a variance for decorative gas lamps. Ourada said the bill allows residents who have obtained a variance to escape the time and expense of the reapplication process by making the variance valid for the life of the recipient. The bill was approved and sent to the Senate floor.

S.F. 2849, authored by Ourada, is a periodic update to keep Minnesota's statutes in conformity with current petroleum product specifications developed by the American Society of Testing Materials (ASTM). The bill was approved and sent to the Senate floor.

S.F. 2848, also carried by Ourada, transfers certain energy conservation accounts to the commissioner of children, families, and learning. Ourada said the money is being appropriated to the department for programs designed to meet the energy conservation needs of low-income persons and to make energy conservation improvements in areas not adequately served. The bill was approved and sent to the Senate floor.

Judiciary

Child protection bills approved

The Judiciary Subcommittee on Data Privacy and Information Policy, chaired

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by Sen. Don Betzold (DFL-Fridley), continued discussion of three child welfare bills, Thurs., Feb. 5. The authors said the bills will be merged into one omnibus bill and presented later to the full committee.

Sen. Jane Ranum (DFL-Mpls.) presented her bill S.F. 2682, which incorporates key elements of S.F. 2277, authored by Sen. Sheila Kiscaden (R-Rochester). She said the two bills expand the scope of current statutes to include protection provisions for "near fatality" child abuse cases. Erin Sullivan Sutton, Dept. of Human Services, said the bill brings Minnesota in conformity with the federal Child Abuse Prevention and Treatment Act and the 1997 Adoption and Safe Families Act.

The committee discussed at length provisions dealing with citizen review panels, which will examine policies and procedures related to child protection. Several Senators debated the scope of the duties of the citizen panels, reimbursement issues, and access to case worker personnel information.

Ranum offered an oral amendment to delete sections on limiting the release of audiotapes and photographs contained in child abuse case files, saying the issue is too controversial and requires discussion beyond the current session. The panel adopted the amendment. Kiscaden offered oral amendments to clarify the mechanics of how local agencies will coordinate with review panels. Her amendments were also adopted. The authors offered amendments, which were approved, to provisions to give review panels greater access to employee performance data and other protective services information.

Don Gemberling, director, Dept. of Administration, and Mark Anfinson, attorney, Minnesota Newspaper Association, said disclosure language was too broad in provisions regarding the public release of information contained in child fatality and near fatality case files. They predict judges will defy the legislative intent and interpret the language conservatively, thus disclosing little information. In response to the concern, the authors offered an amendment to delete sections that listed judicial restrictions on public disclosure. The amendment was approved.

Anfinson and Kiscaden then debated the Legislature's ability to deal with complex data privacy issues regarding

child welfare. Anfinson said Minnesota Supreme Court Justice Kathleen Blatz created a commission recently to delve more deeply into the issue and said legislative efforts, "will unnecessarily complicate the Supreme Court's initiative." Kiscaden replied that she believes legislators agree with the Supreme Court over basic privacy issues and said the legislature has a legitimate and appropriate role in dealing with the matter.

The subcommittee approved S.F. 2682 and referred it to the full committee.

Kiscaden then introduced, on behalf of the author, Sen. David Knutson (R-Burnsville), S.F. 2201, a bill that incorporates recommendations from the Legislative Auditor's report on child protective services and privacy issues. The bill requires the local social service or child protection agency to provide private data on individuals to mandated reporters who have an ongoing responsibility for the child. The bill eliminates a provision allowing the individual alleged to have maltreated the child to request destruction of files within 30 days and instead requires that records be maintained for four years in cases where maltreatment has not been determined. Kiscaden said this provision protects children in cases where investigation of abuse in one or more cases is inconclusive, but which may, over time, demonstrate a pattern of abuse. In response to the committee's concerns that an individual's rights not be violated in cases of false reporting of abuse, Kiscaden proposed an amendment to deny access to records for purposes of employment, licensure, or background checks. The subcommittee approved the bill and referred it to the full committee.

Child welfare bills approved

The Judiciary Committee continued hearing testimony, Fri., Feb. 6, on two child welfare protection bills that expand the scope of current statutes, extend protections to near fatal child abuse cases, and allow for public disclosure of information.

Sen. Jane Ranum (DFL-Mpls.) presented her omnibus child welfare bill S.F. 2682, which incorporates key elements of S.F. 2277, authored by Sen. Sheila Kiscaden (R-Rochester). Ranum then offered six amendments to clarify provisions that shorten time lines terminating parental rights in cases of egregious harm, provide accountability

and documentation on the part of local welfare and law enforcement agencies, specify the makeup of citizen review panels, detail public access to child abuse records, and remove reference to domestic abuse cases. The committee adopted her amendments.

Kiscaden offered an amendment deleting language that would have triggered a maltreatment assessment by child welfare authorities in cases of domestic spousal abuse. Sen. Linda Berglin (DFL-Mpls.) offered an amendment to extend the time allowed before final adoptions can proceed from six months to 12 months, in cases where parental rights are terminated. Berglin also offered an amendment to broaden the definition of a special child welfare category--children in need of protection or services--to include child prostitutes. The committee adopted the amendments.

Diane Benjamin, Children's Defense Fund of Minnesota, Regina Ly, Children's Hope International, and Patrice Bataglia, Association of Minnesota Counties, spoke in favor of the omnibus bill. Ly asked the authors to consider including language to make child risk and family assessments culturally appropriate. Bataglia asked Legislators to consider coordinating state and local funding for child protection services that rely on county property tax base for revenue.

The committee approved the measure and re-referred it to the Health and Family Security Committee.

S.F. 2949, authored by Ranum, dealing with adoption contact agreements, and S.F. 2201, authored by Sen. Dave Knutson (R-Burnsville) dealing with child protection data, were held over for further discussion.

Grandparent visitation bill gains

The Judiciary Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), advanced six bills, Mon., Feb. 9, including a bill, S.F. 1979, dealing with grandparent's visitation rights.

S.F. 1979, authored by Sen. Steve Kelley (DFL-Hopkins), incorporates elements of three bills and is a result of a compromise among the authors. Kelley said the bill amends current law to expand the ability of grandparents to petition for visitation rights, adds provisions on pre-trial hearings, and lists factors to be considered in determining

the best interest of the child. Ranum asked witnesses to limit comments to the bill before the committee since lengthy testimony on the broader issues had been provided in early meetings. Several grandparents stepped forward to object to provisions that require grandparents who petition to pay court costs.

Sen. Richard Cohen (DFL-St. Paul) offered an oral amendment to require the court to move the parties to alternative dispute resolution after a preliminary hearing. Sen. Thomas Neuville (R-Northfield) also offered an oral amendment that the party seeking visitation rights must make a *prima facie* showing that the child will be harmed, instead of clearly harmed, if visitation is not granted. The committee adopted the amendments, approved the bill, and advanced it to the floor.

S.F. 2949, authored by Ranum, allows birth relatives and adoptive parents the option of entering into a legally enforceable contact agreement in an infant adoption. The committee approved the bill and sent it to the floor.

Sen. Pat Piper (DFL-Austin) presented S.F. 1151, a bill that modifies provisions dealing with the appointment of special guardians. Piper said the bill sets time limits on the duration of guardianships and was in response to a constituent's concerns. The committee approved the measure and sent to the floor.

S.F. 1814, authored by Sen. Linda Scheid (DFL-Brooklyn Park), is a bill that contains provisions relating to the Board of Architecture and other professional boards. Scheid offered an oral amendment to delete a section on good samaritan immunity and another on ownership of documents that raised objections from the Dept. of Transportation. The committee approved the bill and re-referred it to the Governmental Operations and Veterans Committee.

Sen. Steven Morse (DFL-Dakota) presented S.F. 2296, a bill that modifies the statute of limitations for actions under the Minnesota Environmental Response and Liability Act. The committee approved the bill and re-referred it to the Environment and Natural Resources Committee.

Finally, Sen. Dave Knutson (R-Burnsville) presented S.F. 2201, a bill that incorporates recommendations from the Legislative Auditor's report on child protective services. Knutson said he hopes to attach his bill to S.F. 2682--

Ranum's omnibus child welfare bill. Sen. Deanna Wiener (DFL-Eagan) offered an amendment, which was adopted, requiring the commissioner of human services to consult with the maltreatment of minors advisory committee to determine which records may be shared with mandated reporters. The committee approved the bill and re-referred it to the Health and Family Security Committee.

Omnibus bill assembled

Members of the Judiciary Subcommittee on Data Privacy and Information Policy held an evening meeting Mon., Feb. 9, to begin assembling the omnibus data privacy bill. The measure, S.F. 1378, carried by Chair Don Betzold (DFL-Fridley), contains a number of individual bills that were added as amendments to the omnibus measure.

The original bill contains provisions relating to the classification of data relating to the release of child abuse data to children's service providers, the classification of corrections and detention data, the maintenance of driver's license application data and juvenile court records maintenance. Betzold successfully offered an amendment deleting a provision classifying correspondence between elected officials or between elected officials and a government employee as public data. He said that because the provision is very controversial, it would be better to consider the issue next year.

Subcommittee members added the contents of several additional measures to the omnibus bill in the form of amendments. S.F. 2644, sponsored by Sen. Charles Wiger (DFL-North St. Paul), specifies that proposals received from vendors, and all government data received from vendors or generated by a municipality relating to negotiations with vendors, for capital intensive public services are classified as nonpublic data until negotiations and best and final offers are received. Wiger said the bill deals with the bids for capital intensive public services such as water systems and waste treatment systems. Members approved the bill for inclusion in the omnibus measure. S.F. 2275, authored by Sen. Sheila Kiscaden (R-Rochester), was also approved for inclusion in the omnibus bill. The measure allows several state agencies to share information in order to evaluate the Minnesota Family

Investment Program. Kiscaden said that the bill is designed to assist in the seamless delivery of services as individuals seek to move off of welfare and into jobs.

A bill authorizing the release of domestic abuse arrest data, request for service data or response and incident data to victim's service organizations was also included in the omnibus bill. According to chief author, Sen. Jane Ranum (DFL-Mpls.), S.F. 2795 is needed because the victim's services organizations are not getting the information necessary to provide services to domestic abuse victims.

Two additional bills were also included in the omnibus bill. S.F. 2263, carried by Betzold, makes technical and clarifying changes to tax disclosure provisions. The bill clarifies that criminal investigative data is confidential for all tax types, includes all tax types in the laws for which informant information is confidential, specifies that revenue department agents have access to tax data only for purposes and to the extent necessary to administer tax laws. S.F. 2554, also sponsored by Betzold, provides for data privacy for data of internal audit offices of political subdivisions. Betzold successfully offered an amendment specifying that the bill is not to be interpreted as limiting in any way the state auditor's access to government data of political subdivisions or data, notes, or preliminary drafts of reports of persons performing audits for political subdivisions.

The subcommittee also advanced several bills to the full Judiciary Committee after considering provisions relating to data classification included in the bills. S.F. 2259, sponsored by Sen. Dave Johnson (DFL-Bloomington), requires the Bureau of Criminal Apprehension to collect and maintain computerized data relating to conditional release information of convicted offenders, for use by criminal justice agencies. Members discussed an amendment to specify that a consent for release of the information on an individual who is the subject of conditional release data is not effective. However, members delayed action on the amendment until the draft language is refined to better reflect the subcommittee's intent. The panel did adopt an amendment authorizing the commissioner of corrections to require that any or all conditional release information be submitted to the conditional release data system.

S.F. 2103, authored by Sen. Steven

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Novak (DFL-New Brighton), sets up an Arson Task Force. The bill includes a provision for establishing a computerized arson investigative data system and provides for the sharing of information between criminal justice agencies in the investigation and prosecution of suspected arson violations.

Two bills, authored by Sen. Dennis Frederickson (R-New Ulm), also advanced to the full committee. S.F. 2414 provides that agricultural producer data submitted to the commissioner of agriculture for purposes of accreditation is private or nonpublic data. In addition, the measure specifies that information shared in the mediation process or offers to settle is considered confidential and may not be used against either party in any other proceeding, court action, or dispute resolution process unless otherwise discoverable from outside the mediation process. The second bill, S.F. 2416, modifies the debt collection act to eliminate a reference to the release of data to private collection agencies under contract with the commissioner.

Members also debated a bill relating to sex offender registration. S.F. 2079, authored by Sen. Ember Junge (DFL-New Hope), authorizes the release of sex offender registration data to promote public safety and requires property owners convicted of background check crimes to notify their tenants. The subcommittee adopted an amendment, offered by Kiscaden, to delete the provisions relating to property owners. Discussion then focused on an amendment Junge provided allowing a chief law enforcement officer to disclose information about a person required to register as a sex offender to agencies, groups, and members of the community that the person is likely to encounter if the officer determines there is a reasonable suspicion that the person poses a risk to the community. Several members, however, felt that the amendment needed more work. No action was taken and the bill was laid over.

Data privacy bills gain

The Judiciary Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), advanced eight data privacy bills in two meetings, Wed., Feb. 11.

Sen. Don Betzold (DFL-Fridley) presented S.F. 1378, the omnibus data practices bill. Betzold said the bill

merges five bills that were presented in earlier hearings and contains amendments to the welfare data statute. He said the bill, for example, authorizes release of certain data on the distribution of child support to obligees, allows access to the child support system database to public assistance personnel for monitoring purposes, amends the law enforcement data statute to allow release of arrest reports required in domestic abuse cases to state-funded victims' protection organizations, and amends the Dept. of Public Safety driver's license statute to allow the public release of the reason for license revocations in juvenile cases.

Committee members debated at length a section of the bill that expands the statute protecting data of internal audit offices of state agencies to include political subdivisions. Betzold said this does not eliminate certain reporting obligations under current law and does not limit access by the state auditor to data. Sen. Richard Cohen (DFL-St. Paul) said he was concerned about extending the protection of audit information to the city or county level. He said he was concerned that improprieties or wrongdoings could be hidden using this provision. Jim Moore, assistant city attorney, city of Minneapolis, said the intent of the provision is to protect the confidentiality or reputation of audit subjects before the audit report has been completed. Betzold offered an amendment to address the concern, which was adopted, that Cohen said represented "a slight improvement" over the original language. Sen. Jane Ranum (DFL-Ranum) also offered an amendment, which was adopted, to allow organizations providing services to battered women greater access to written police reports. The committee approved the measure and sent it to the floor.

The committee approved in quick succession the remaining seven bills.

S.F. 2414, authored by Sen. Dennis Frederickson (R-New Ulm), amending privacy provisions related to agricultural producers associations, was re-referred to the Governmental Operations and Veterans Committee. S.F. 2416, also authored by Frederickson, amending the definition of debt in the Debt Collections Act, was sent to the floor. S.F. 2103, authored by Sen. Steven Novak (DFL-New Brighton), creating an arson investigative data system to be adminis-

tered by the state fire marshal, was re-referred to the Crime Prevention Committee. S.F. 2737, authored by Sen. Ember Junge (DFL-New Hope), containing provisions dealing with the recognition of orders for protection from other jurisdictions based on the federal Violence Against Women Act, was sent to the floor as amended. Sen. Deanna Wiener (DFL-Eagan) offered an amendment, which was adopted, that adds the full federal language of the act to the bill. S.F. 2373, authored by Betzold, containing civil commitment law modifications, was sent to the floor.

S.F. 1001, authored by Sen. Steve Kelley (DFL-Hopkins), adding access to data and immunity provision for persons who report in good faith violations of the Psychology Practices Act, was re-referred to the Crime Prevention Committee. Finally, S.F. 2259, authored by Sen. Dave Johnson (DFL-Bloomington), providing for the creation of a conditional release data system within the Bureau of Criminal Apprehension, was referred to the Crime Prevention and Judiciary Budget Division.

K-12 Budget Division

Budget requests heard

The K-12 Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) heard a supplemental budget bill, as well as bonding requests from the Departments of Children, Families and Learning (CFL) and Public Service, the State Academies for the Deaf and the Blind, and the Lola and Rudy Perpich Center for Arts Education, at a meeting Tues., Feb. 10.

Sen. Roger Moe (DFL-Erskine) presented S.F. 2072, a bill appropriating \$15 million from the general fund in FY 99 to build a new school facility in Pine Point, on the White Earth Indian Reservation. The bill states the funds are to be used for a new building serving students from birth through grade 12 that also includes a community center.

Moe said the current school facility is over sixty years old and "is not the kind of place you can fix up." John Buckanaugh, who serves on the Tribal Council and is a resident of Pine Point, agreed the current school facility is beyond repair, and that a new facility is needed. "This bill gives us the ability to establish a comprehensive educational

system from Head Start through high school," he said. There currently is no high school at Pine Point, nor is there a grocery store, said Erma Vizenor, secretary treasurer of the tribe at White Earth. The new facility proposed in the bill will include a K-12 school as well as a store, early childhood education center, health clinic, senior citizens center, housing facility, and law enforcement center, said Vizenor.

Pine Point Superintendent Ken Litzau said, "We're a very isolated community, very rural, which is why we're making this into a community center." Buckenaugh said the \$15 million appropriations request covers the cost of the structure and new athletic fields. The health clinic and clinic staff will be provided by the Indian Health Service, he said.

Pogemiller said the budget division will determine a ranking of the supplemental budget requests next week and forward the list to the Education Finance Committee.

CFL Commissioner Bob Wedl presented the department's request for a grant of \$14.3 million for a project partnership of the Amherst H. Wilder Foundation, the Saint Paul Public Schools, the city of St. Paul, Ramsey County, CFL, and St. Paul neighborhood communities. The project partners will establish three Achievement Plus facilities to serve approximately 1,730 students. Each school will provide an integrated set of academic, family, health, social, and recreational support services to children, families, and the community. One of the schools will be located in a new building that will be selected based on demographic need and community interest. The other two Achievement Plus facilities will be located in the existing Dayton's Bluff Elementary and Monroe Community School facilities.

Wedl said the state appropriation request is 50 percent of the total project cost of \$28.65 million. The project received \$300,000 in 1996 and \$3 million in 1997 from the state. He said the rest of the funding will be provided by local public and private funding sources.

Wedl said the Achievement Plus schools are located in neighborhoods where there is a high concentration of poverty and at-risk students. "This proposal brings all the community

members together with neighborhoods in areas of high poverty and high family needs," he said.

Wedl also presented a request for \$1.2 million for capital improvements to the Grand Rapids public library, which is contingent on a non-state funding match of \$4.82 million. He said the current library is in great need of reconstruction.

Michael Roelofs, energy programs manager, Dept. of Public Service, presented a request for \$8 million for the Energy Investment Loan Program, which offers loans to public school districts to finance energy-saving capital improvements.

Stephanie Andrews of the Finance Department, said the Governor recommends three of the four bonding requests of the Academies of the Deaf and the Blind. For FY 99, the academies are requesting \$725,000 to preserve and update the physical assets of the two campuses. Projects include the replacement of roofs, windows, fire protection systems, and other deteriorating assets. The Academy for the Deaf is requesting \$4.009 million for the preservation and remodeling of Tate Hall. She said Tate Hall, which is on the National Register of Historic Places, was treated three times this year for mold, and has a foundation that is no longer solid. Tebo said the building needs a new roof and new eaves, and repair of its windows and shutters.

The third request for the Faribault Academies by the governor, is \$4.589 million to expand and renovate the Lysen Learning Center at the Academy for the Blind. Elaine Sveen of the academy, said there is a "critical need" for additional classrooms to relieve overcrowded conditions.

Barbara Martin of the Lola and Rudy Perpich Center for Arts Education, presented the center's bonding requests. Two of the seven requests are recommended by the governor: a request for \$782,000 to renovate a classroom/administration building, and \$467,000 for asset preservation projects.

Local and Metropolitan Government

Local sales taxes debated

The Local and Metropolitan Committee, chaired by Sen. Jim Vickerman (DFL-Tracy), met Mon., Feb. 9, to take action on several bills authorizing

communities to institute local sales and use taxes.

S.F. 2131, authored by Sen. Cal Larson (R-Fergus Falls), authorizes the city of Fergus Falls to impose a one-half cent sales and use tax, and an excise tax of not more than \$20 per motor vehicle. Larson said the taxes must be approved by Fergus Falls voters within one year. He added that revenue raised from the taxes is for construction and operation of facilities as part of a regional conference center, community center, and a recreation and tourism project known as Project Reach Out.

Larson said because Fergus Falls is a regional city with a lot of people commuting, there is a need to offer additional and updated facilities to meet demand. He added that under the bill, the taxes will expire in 15 years, unless the city determines that is insufficient to pay off the bonds. The bill was referred to the Committee on Taxes.

Sen. Kenric Scheevel (R-Preston) said it is important for the committee, prior to looking at city sales tax issues, to develop criteria for projects in order not to risk skewing state tax policy. Scheevel said he would support limiting all city sales tax proposals before the committee, to one-half cent. Additionally he said he wants each tax proposal to be approved by local referendum. He added that the taxes should be limited to items sold in a community, should be focused on regional improvements, and should have a clear sunset date. "We should treat all cities consistently to make the process easy for the tax committee," Scheevel said.

S.F. 2887, carried by Sen. Steve Dille (R-Dassel), authorizes the city of Hutchinson to impose a one-half percent sales and use tax, and an excise tax of up to \$20 per motor vehicle. Dille said proceeds from the tax are for construction and improvements to a civic and community center, and recreational facilities that serve seniors and youth. Dille said the bill specifies all the new taxes must be approved by voters in one referendum. He added that the city is authorized, under the bill, to issue not more than \$5 million in general obligation bonds for the projects.

Hutchinson Mayor Marlin Torgerson said the city would like to bring the issue before voters as soon as possible to ensure the projects can be started in a timely manner. "These projects allow us to

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catch up with the demand for services that has out paced capacity," Torgerson said. The bill was approved and sent to the Committee on Taxes.

S.F. 2749, sponsored by Sen. David Ten Eyck (DFL-East Gull Lake), authorizes the city of Bemidji to impose a one percent sales and use tax, and an excise tax of not more than \$20 per motor vehicle. Ten Eyck said the bill provides for the city to issue general obligation bonds of up to \$25 million. The tax expires when the city council determines that sufficient funds have been received to finance the project and retire the bonds. Ten Eyck added that the issue has to be taken before Bemidji voters for approval within one year.

Bemidji Mayor Doug Peterson said a sales tax is the best way for his community to raise the money it needs.

Scheevel proposed an amendment to reduce the Bemidji sales tax to one half percent. The amendment was defeated by voice vote. Vickerman said this is a local issue and if a city says they have a need for the revenue the state should not take away that local authority. The bill was approved and sent to the Committee on Taxes.

S.F. 2689, authored by Sen. Sheila Kiscaden (R-Rochester), authorizes the city of Rochester to impose a one percent sales and use tax and an excise tax of not more than \$20 per motor vehicle. Kiscaden said 25 percent of the tax revenues are for higher education facilities and programs, and the balance is infrastructure, cultural, and economic development activities. She added that if the plan is rejected by voters in a referendum, a revised plan may be proposed by the city council and submitted to voters.

Scheevel offered an amendment to the bill to put a sunset date on the tax. The amendment was first defeated but later adopted by the committee. Kiscaden argued against the time limit and said the city wants to be able to propose additional improvements to city residents when the current set of projects are completed. S.F. 2689 was laid on the table.

Residency repeal okayed

The Local and Metropolitan Government Committee met Wed., Feb. 11, and took action on five bills, including one that repeals local residency requirements

as a condition for city employment. The committee is chaired by Sen. Jim Vickerman (DFL-Tracy).

S.F. 2835, carried by Sen. Steven Novak (DFL-New Brighton), repeals the special law granting Minneapolis and St. Paul the authority to adopt residency requirements as a condition of employment. Novak said the special legislation for adopting residency requirements was enacted in 1993 for Minneapolis and 1994 for St. Paul.

Minneapolis Mayor Sharon Sales-Belton testified that the city is against the repeal because the residency requirements are fiscally prudent and supported by citizens and the Minneapolis City Council. "It is important that the state has thriving cities and this is a tool that makes us stronger," Sales-Belton said. She added that since the city ordinance was enacted the percentage of employees living in the city has risen from 44 to 68 percent.

Novak said the entire policy infringes on the rights of the individual to decide where they live and work.

Sen. Carol Flynn (DFL-Mpls.) said people knew about the requirement for residency when they agreed to work for the city and the state should allow the citizens of the cities to decide for themselves. The bill was approved and sent to the Senate floor.

S.F. 2660, carried by Sen. Steven Morse (DFL-Dakota), changes the language for nine of the state's existing community based planning goals enacted into law in 1997. Morse said the changes come from the Community-Based Planning Advisory Council. The council conducted 24 hearing around the state and took testimony from more than a thousand citizens. He said the bill extends the life of the council and adds three members to include more local government officials and a broader geographic cross section of Minnesota residents. The bill was approved and re-referred to the Governmental Operations Committee.

S.F. 2831, sponsored by Sen. Randy Kelly (DFL-St. Paul), extends the city of St. Paul's five year capital improvement bonding program through the year 2003 and raises the amount of bonds authorized to be issued each year from \$8 million to \$15 million. Kelly said the city has been conducting the bond program since 1967. "This is the primary

way St. Paul makes improvements to the city's infrastructure," he said. The bill was approved and re-referred to the Committee on Taxes.

S.F. 2939, authored by Sen. Keith Langseth (DFL-Glyndon), allows the cities of East Grand Forks and Breckenridge to capture sales tax proceeds. Langseth said the communities have suffered great hardship in the aftermath of the 1997 spring flooding and this is a way the state can allow residents to help themselves.

Langseth said the bill specified that the ability of the cities to use the sales tax expires at the end of five years. He added that Breckenridge will be able to capture about \$1 million per year and East Grand Forks will capture approximately \$3 million each year. The bill was approved and re-referred to the Committee on Taxes.

S.F. 2279, carried by Vickerman, appropriates \$600,000 from the general fund for FY 99 to the Office of Strategic and Long-Range Planning. Vickerman said the money is for grants to regional development commissions for the preparation of local land use plans. The bill was approved by a voice vote and sent to the Governmental Operations Committee.

Focus on bonding

The Local and Metropolitan Government Committee and the Economic Development Budget Division met in a joint session Wed., Feb. 11, to hear bonding requests for local community and convention centers. The committees are chaired by Sen. Jim Vickerman (DFL-Tracy) and Sen. Tracy Beckman (DFL-Bricelyn) respectively.

S.F. 1986, authored by Sen. Allan Spear (DFL-Mpls.), appropriates \$185 million from the bond proceeds fund to the city of Minneapolis for completion of its convention center. Spear said under the plan, the state assumes the remaining \$86 million in debt for bonds issued to construct the current convention center, which allows the city to issue new bonds for the completion without risking the city's bond rating.

S.F. 2394, carried by Sen. Cal Larson (R-Fergus Falls), appropriates \$1.5 million to construct a convention and civic center in Fergus Falls. Larson said the 18,000 square-foot facility will serve the entire region. Larson said the bill

provides that the money must be used to acquire land and construct the facility. He added that state bonding money must be matched by \$1.5 million from non-state sources.

S.F. 2204, carried by Vickerman, appropriates \$1 million from the bond proceeds fund for the design, construction, furnishing and equipping of a multi-use community center in Windom. Vickerman said the city is raising \$500,000 for the project by public subscription and the remainder of the \$2 million total will be raised through a referendum of city voters.

The committee also heard a bonding request for an expansion of the Duluth Convention Center. Director of the Duluth Convention Center, Dan Russell said the city is requesting \$14 million from the state for the \$28 million project. Russell said the facility is projected to double Northeastern Minnesota's convention business within five years.

S.F. 2264, authored by Sen. Keith Langseth (DFL-Glyndon), authorizes state bonds in the amount of \$1 million to the Minnesota Historical Society, for capital remodeling and new construction, to expand the Red River Valley Center in the city of Moorhead. Langseth said the bill requires the balance of the projects total \$2.25 million cost will be provided by the city and private funds.

Property Taxes and Local Government Budget Division

Governor's tax proposal heard

The Property Taxes and Local Government Budget Division heard a brief overview of the governor's tax proposal Fri., Jan. 6, before turning to levy limit and TIF bills.

The governor's tax proposal is incorporated into S.F. 2249, authored by Sen. Gen Olson (R-Minnetrissa). Jim Girard, commissioner of the Dept. of Revenue, spoke for the bill. He said that the governor is proposing to reduce the state's reliance on the property tax, increase the state's share of funding for K-12 education, and achieve the 1997 Legislature's property tax rate compression goals. The proposal would be accomplished through a number of efforts, said Girard. Some of these include a two-year phase-in of property tax rate reductions in the highest classification rate for business

property, in the market-apartment classification rate, and in the first-tier single family non-homestead residential classification rate. Other efforts include extending levy limits to the year 2000 and increasing the Education Homestead Credit, General Education Aid, and County Family Preservation Aid. The bill was laid over.

Two bills authored by Sen. Don Betzold (DFL-Fridley) were heard by the division. S.F. 2552 changes the growth factors applicable to levy limits. Currently, said Blaine City Manager Roger Frasier, the levy limit formula is indexed to the CPI, which "precludes the consideration of commercial or industrial growth." The bill changes the growth factors applicable to levy limits by providing that the levy limit base would be multiplied by the greater of two factors; either one plus the increase in the number of households, as provided under current law, or one plus the percentage increase in the market value of the jurisdiction due to new construction. Sen. Carol Flynn (DFL-Mpls.) said that her preference was to repeal the levy laws, not add to them. Betzold agreed, saying that such a repeal would solve the need for the bill. Frasier then said that the thing to do is strategize for the best possible circumstances, given that levy limits would probably still be in place in 1999. Committee Chair Sandra Pappas (DFL-St. Paul) said that consideration of the bill should be held off until S.F. 2985, the bill authored by Flynn repealing levy limits, is discussed. The bill was laid over.

The other bill authored by Betzold, S.F. 2177, changes the date for the truth-in-taxation hearing to be held by the metropolitan special taxing districts. The bill was amended to reserve the first and second Mondays of December for initial and continuation hearings for cities. Betzold said that cities are presently last in line to choose hearing dates, often being superceded by school district hearings. The bill was recommended for inclusion in the omnibus bill.

A bill authored by Sen. Leonard Price (DFL-Woodbury) changes the disclosure and reporting laws for tax increment financing districts. S.F. 2403 changes the date annual disclosures and reports are required to be made by tax increment financing authorities, from July 1 to Aug. 1. If an authority fails to make the

necessary reporting or disclosure requirements, no tax increment will be paid to the authority until requirements are met. Some of the other changes clarify the duration of the reporting requirements, the distribution of penalty payments, and the interest retention from suspended increments. Bill Connors of the State Auditor's Office said that the bill is essentially a recodification of existing law, making the law easier to follow without making any substantive changes. Some of those testifying against the bill included representatives of Greater Minnesota Cities, the Minnesota Association of Small Cities, and the League of Minnesota Cities. Opposition centered around the paperwork and possible penalties required by the bill. The bill was laid over.

S.F. 2482 proposes two changes to TIF law, said Sen. Steven Novak (DFL-New Brighton), the author of the bill. The bill provides exceptions to the general tax increment financing law that applies to redevelopment districts. Under the bill, administrative expenses are not considered expenditures outside the district for purposes of the pooling restrictions, and the five-year period for commencing activities within the district is extended to ten years. The bill was laid over.

S.F. 2120, authored by Sen. Martha Robertson (R-Minnetonka) allows certain parcels within a tax increment district in Golden Valley to continue paying increments to the Golden Valley HRA for property taxes payable in 2001 through 2010.

Don Taylor, Golden Valley finance director, said that the city is asking for a 10-year extension in order to get the additional time necessary for financing public improvements the HRA has been working on for over 25 years.

S.F. 2120 was laid over.

Border city bill heard

A bill designating five cities on Minnesota's western border as border city development zones was heard at the Weds., Feb. 11, meeting of the Property Tax and Local Government Budget Division. Sen. Keith Langseth (DFL-Glyndon) said that the bill, S.F. 2388, is designed to give cities along the Minnesota-North Dakota border the same kinds of tax relief enjoyed by North Dakota cities. Under the bill, each city may

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designate between one and six areas, not to exceed a total area of 100 acres per city, as development zones. Within the zones several tax breaks are made available. For instance, under the bill provides a property tax exemption for all commercial/industrial and public utility property located within a zone. In addition, the measure also provides a corporate franchise tax credit for corporations doing business within the zone.

Mayor Morrie Lanning of Moorhead, Mayor Cliff Barth of Breckenridge and Scott Hutchins, director of community development for Moorhead, all testified on behalf of the bill. They said that by five critical indicators, Minnesota's border cities lag behind their North Dakota counterparts. Langseth provided statistics showing that according to the five critical economic indicators-- population, employment, housing, retail sales and tax capacity-- the Minnesota cities are not doing as well as North Dakota communities. They said the bill provides the needed tax advantages to bring the Minnesota cities into line with the North Dakota communities. The bill was laid over for consideration as part of the property tax article of the omnibus tax bill.

In other action, members advanced a bill repealing the levy limits enacted in last year's omnibus tax bill. S.F. 2985, authored by Sen. Douglas Johnson (DFL-Tower), was advanced to the full Committee on Taxes with no discussion.

Members also heard a bill reducing the class rate for undeveloped property bordering public water. S.F. 1695, authored by Sen. Bob Lessard (DFL-Int'l. Falls), also specifies that the property must have belonged to one family for at least seven years. Bob Neuenschwander spoke on behalf of the measure.

Neuenschwander outlined the scope of the bill and the problems it is designed to address. Neuenschwander said that some families are being forced to sell undeveloped lakeshore property that had been in the family for years--sometimes for generations--because property values have increased so much in recent years that the taxes are prohibitive. Under the bill, the owner must apply to the county assessor for a designation as class 2c. According to Lessard, class 2c property has a class rate of one-half of one percent of market value. The bill was laid over for further consideration.

Members also heard, but took no action on, three bills relating to tax increment financing. S.F. 2290, authored by Sen. Dean Johnson (R-Willmar), sets the certificate date and the original tax capacity local tax rate of several parcels in the tax increment district and extends the time the authority may collect from those parcels through 2007. S.F. 2453, sponsored by Sen. Dan Stevens (R-Mora), authorizes the expenditure of revenues derived from a tax increment financing district located in the city of Foley outside the district.

Controversy erupted on a the third bill. The measure, S.F. 2141, carried by Sen. Cal Larson (R-Fergus Falls), authorizes the Douglas County Housing and Redevelopment Authority or the Brandon Economic Development Authority to establish a tax increment financing district for a tourism facility that would include a Scandinavian theme park, amusement park, lodging and retail facilities. Gene Wenstrom of the Brandon Economic Development Authority spoke in support of the measure. He said the theme park would attract visitors into the area and aid the economy of the area. However, several residents of the area spoke in opposition to the bill and said that a 20 year tax increment financing plan placed a greater burden on other tax payers in the community.

State Government Finance

Bonding overview

Members of the State Government Finance Committee listened to an overview of bonding requests at the committee's meeting Tues., Feb. 10. Sen. Richard Cohen (DFL-St. Paul) chairs the committee.

Assistant Commissioner Peggy Ingison, of the Dept. of Finance, said the governor's 1998-2003 Strategic Capital Budget Plan provides the most ambitious set of capital funding recommendation in the history of the state. Ingison pointed to increased state revenues and low interest rates as providing additional binding capacity which allows for increases across all major policy areas. She added that higher education, the environment, and statewide economic development are the three major funding priorities of the governor.

Ingison said the governor's plan totals

more than \$1 billion. She said the governor recommends that \$700 million be secured will general obligation bonds, \$121 million in bonding paid by user financing, general fund resources of \$172 million, and \$27 million from the trunk highway fund.

Dept. of Finance Commissioner Wayne Simmoneau said the governor's capital budget recommendations are within the state's self-imposed debt limit of three percent of total state revenues. "The current document is 2.85 percent of total state revenues," Simmoneau said.

Cohen asked Simmoneau if he thought more money should be used from the budget surplus for capital improvements. Simmoneau said he did not think the state was bonding too much because the improvements from projects last a long time so it is logical to have the coming generations pay some of the cost.

The committee also heard testimony from the Dept. of Finance on a report about possible guidelines for future capital project grants to political subdivisions. Simmoneau said in the past few years the department has seen that requests for bonding from municipalities do not follow any established criteria. "We thought it was important to set out a formula people can follow," he said. Ingison said several guidelines have been developed. First, projects should be funded locally if possible and if state money is used it should total no more than 50 percent of the total cost. Second, state bonding funds should not be used for the operating budget of any project. Third, local projects should have pre-design done with reliable numbers before bringing the matter before the Legislature. Ingison added that these are the criteria state agencies are required to go by when submitting bonding requests.

Colonel Anne Beers, of the Dept. of Public Safety, said the agency has requested \$1.4 million for capital improvements. She said the top priority for the department was to move their training facility to Camp Ripley. She said the move was necessary because there are more training facilities, residential lodging and food facilities, and a fire-arms range at Camp Ripley. Beers added that Camp Ripley will also provide a convenient location for training because it is centrally located. "We bring in people for training from all over the state and

the camp is centrally located," Beers said.

Assistant Metro Division Engineer for the Dept. of Transportation Julie Skallman said the governor's capital budget for transportation related projects includes \$37.1 million. She said of the amount, \$27.1 million is from the truck highway fund and \$10 million is from general obligation bonds.

Deputy Commissioner for the Dept. of Natural Resources Ron Nargang said the governor's 1998 capital budget invests \$202.5 million in four major environmental areas. He said that \$26 million of the request will come from the state's general fund. Nargang said the DNR will spend \$50 for habitat protection and enhancement, \$63 million for outdoor recreation-parks and trails, \$64 million for environmental protection, and \$23 will be invested into environmental infrastructure.

Tom Ulness, assistant commissioner of the Dept. of Administration, said the governor recommendations for Dept. of Administration projects include \$3.4 million for demolition of the Capitol Square Building and relocation of the Dept. of Children Families and Learning, \$5.3 million for electrical utility infrastructure improvements in the Capitol Complex. He said \$15.7 million in trunk highway funds is earmarked for the final phase of the Transportation Building renovation along with \$3.3 million for property acquisition, and \$2.8 million for design of a new Bureau of Criminal Apprehension facility.

Committee on Taxes

Governor's proposal, others heard

The Committee on Taxes Subcommittee on Income and Sales Tax, chaired by Sen. Steve Murphy (DFL-Red Wing) heard numerous bills Thurs., Feb. 5, and referred three bills to full committee with recommendations to pass.

All three bills sent to the full committee involve exemptions to the sales tax. S.F. 2016, authored by Sen. Sandra Pappas (DFL-St. Paul), exempts certain libraries from sales and use taxes. The bill would cost the state \$700,000, said Pappas. S.F. 2075, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), extends the sales tax exemption period for certain events from four to five days. The bill excludes 30 county fairs with five-day runs. S.F. 2051, authored by

Sen. Richard Cohen (DFL-St. Paul), specifies that 60 percent of St. Paul's sales tax revenue dedicated to neighborhood investment must be used for low-interest loans for neighborhood projects. Another 30 percent of the sales tax revenue must be used for direct grants, and the final 10 percent for the capital portion of a seed capital fund. The bill requires the expenditures to be approved by a citizen review panel appointed by the mayor.

No action was taken on 11 other bills heard by the subcommittee. The subcommittee discussed the governor's tax proposal, S.F. 2249. Authored by Sen. Gen Olson (R-Minnetrista), the bill simplifies property tax classifications and rebates, extends levy limits for another year, provides an income tax subtraction in certain cases, changes the calculation of the alternative minimum tax, and credits sales taxes paid on admissions to U of M athletic events to the U of M, instead of to the general fund.

S.F. 2128, authored by Sen. Jim Vickerman (DFL-Tracy) and S.F. 2037, authored by Sen. Leonard Price (DFL-Woodbury), both exempt political subdivisions of the state from the sales tax on any purchases. "Presently we're asking local governments to pay a tax, which we collect and redistribute to them," said Price. "I would couch this effort as tax reform," he said. Similar to these two bills is S.F. 2615, authored by Sen. Keith Langseth (DFL-Glyndon). The bill exempts the state and its agencies, as well as its political subdivisions, from the sales tax on purchases.

Both S.F. 2715, authored by Sen. Claire Robling (R-Prior Lake) and S.F. 2579, authored by Vickerman, reduce the tax rates on lawful gambling. The bills reduce taxes on pull-tabs and tip boards from two to one percent of the ideal gross, and reduce the tax on all other forms of legal gambling from 10 to 7.5 percent of the gross receipts. The bills also reduce in varying amounts the tax on combined receipts. The bills have different effective dates and different loss calculations as a result.

S.F. 2292, authored by Vickerman, exempts gravel, machinery, equipment and various accessories purchased by a town from the sales tax if used for bridge and road maintenance. The bill also provides a motor vehicle sales tax exemption for snowplows and

dumptrucks purchased by towns for road and bridge maintenance.

Another bill provides a motor vehicle sales tax exemption for certain types of school buses. Authored by Sen. Arlene Lesewski (R-Marshall), S.F. 2713 exempts type A, B, C, or D school buses.

S.F. 2568 provides a sales tax exemption for equipment designed to process, dewater, and recycle biosolids. Authored by Sen. Douglas Johnson (DFL-Tower), the bill applies to any biosolid recycling equipment for wastewater treatment facilities, and for materials used to install the equipment. Also authored by Johnson is S.F. 2243, which provides a sales tax exemption for construction materials used for the Duluth Entertainment Convention Center.

S.F. 2389, authored by Sen. Ellen Anderson (DFL-St. Paul), expands the dependant care credit. It decreases the rate of credit phase-out from \$18 to \$9 for every \$350 of income above the threshold amount of \$17,430. Taxpayers earning less than \$45,430 could apply for the credit under the bill. Presently, taxpayers need to earn less than \$31,430 to apply for the credit.

All of the bills will be considered for inclusion in the omnibus tax bill.

Tax relief bills discussed

The Committee on Taxes Subcommittee on Income and Sales Tax continued to hear a number of bills Tues., Feb. 10, most of which dealt with tax exemptions. Subcommittee Chair Steve Murphy (DFL-Red Wing) told those in attendance that most of the bills heard would be set aside for ranking by the subcommittee once the February revenue projections for 1998 become known.

The only bill referred to the full committee with the recommendation to pass was S.F. 2628, authored by Sen. Linda Berglin (DFL-Mpls.). The bill makes technical adjustments to the one percent premium tax that applies to various health care organizations meeting containment costs. Berglin said the bill corrects an inadvertent error in a previous year's bill regarding the date of implementation. Applicable organizations include health maintenance organizations, community integrated services networks, and nonprofit health service plan corporations.

S.F. 2526, authored by Sen. Linda Runbeck (R-Circle Pines), reduces the

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income tax on individuals, estates, and trusts, by reducing the rates and expanding the brackets. The bill also repeals the property tax reform account and strikes the requirement that 60 percent of the surplus be deposited in the account. "This is a fairness issue," said Runbeck. "The very best place to deposit the money from the surplus is back with the taxpayers," she said.

S.F. 2642, authored by Sen. David Knutson (R-Burnsville), also reduces the income tax on individuals. The goal of the bill, said Knutson, is to remove marriage penalties by modifying tax brackets and the alternative minimum tax exemption. The bill increases the number of brackets available for married couples filing jointly, and adjusts the computation of the alternative minimum tax by providing an exemption for married individuals twice as large as that available for single individuals.

Three bills exempting certain types of machinery from the sales tax were also heard. S.F. 2877, authored by Sen. Jim Vickerman (DFL-Tracy), exempts new farm machinery from the sales tax. The subcommittee amended the bill to include language from S.F. 2878, a similar bill authored by Vickerman. The portion of S.F. 2878 exempting aquaculture equipment from the sales tax was incorporated into S.F. 2877.

Another bill, S.F. 2790 exempts equipment, machinery, and various accessories purchased by local units of government from the sales tax if used for road, street, or highway construction or maintenance. Authored by Sen. Dennis Frederickson (R-New Ulm) the bill also provides a motor vehicle sales tax exemption for the vehicles used in road, street, or highway construction or maintenance.

S.F. 2612, authored by Murphy, defines alcoholic cider and sets the allowable alcohol percentage, and reduces the tax rate for the product. Currently, said Murphy, cider is taxed at the same rate as wine. The bill puts cider in the same tax rate as beer, he said, and would result in an estimated initial loss of revenue of \$10,000 a year. The loss would more than likely be offset by increased sales of the product, he said.

A bill authored by Sen. Gen Olson (R-Minnetrista), S.F. 2443, clarifies the taxes included in the moratorium on the collection of taxes for solid waste management services.

S.F. 2310 changes the deductions available for individuals. Authored by Sen. John Hottinger (DFL-Mankato), the bill allows individuals who do not itemize deductions for federal income tax purposes to take a deduction equal to 50 percent of the amount by which the individual's charitable contributions exceed \$500.

S.F. 3037, authored by Sen. Steven Novak (DFL-New Brighton), directs the Amateur Sports Commission, in consultation with the Minnesota Golf Association, to establish standards for junior instructional golf programs. Any facility that offered the programs would qualify for a sales tax exemption paid on materials, supplies, equipment, or goods used either for the operation or improvement of the facility.

A bill, authored by Sen. Randy Kelly (DFL-St. Paul), provides a sales tax exemption for materials used in the construction of the St. Paul RiverCentre complex. Kelly said that the construction costs are estimated to be \$90 million, and the exemption would be in the range of \$1 million to \$3 million.

S.F. 2994, authored by Sen. Becky Lourey (DFL-Kerrick), exempts the Long Lake Conservation Center in Palisade from the sales tax.

Transportation

License tab bill defeated

A proposal to eliminate the vehicle registration tax for passenger vehicles valued under \$30,000 was heard at a Thurs., Feb. 5 meeting of the Transportation Committee, chaired by Sen. Carol Flynn (DFL-Mpls.).

S.F. 2258 continues the current vehicle registration tax for passenger vehicles with a taxable value of at least \$30,000, and for hearses. The bill's author, Sen. Michelle Fishbach (R-Paynesville), said that although the Dept. of Revenue estimates the proposal will cost the Highway Users' Trust Fund \$318 million in lost revenue in FY 99, the bill is not intended to reduce state spending on highways. To compensate for the loss of revenue to the Highway Fund, S.F. 2258 specifies that at least \$318 million be transferred from the general fund to the Highway Fund each fiscal year. Fishbach suggested transferring roughly \$455 million of this year's budget surplus to the Highway Fund in FY 99, thus increasing the

amount available to spend on highways.

Fishbach said the purpose of eliminating the vehicle registration tax is to permanently reduce the tax burden of state residents. She pointed to the budget surplus of \$1.3 billion this year, and the surplus of \$3.6 billion in the current biennium, to argue that Minnesotans are systematically overtaxed. While taxes that are reduced can be increased again, the advantage of eliminating a tax is that it is very difficult to reverse in the future, she said.

Sen. Keith Langseth (DFL-Glyndon) said Fishbach's proposal is shortsighted because "no one knows where the state's economy is going to be in five or six years." There is no guarantee budget surpluses will continue, he said, so eliminating such a large source of revenue could put the state in a difficult position if the economy takes a downturn. Sen. Janet Johnson (DFL-North Branch) said she thought people prefer property tax relief to elimination of the vehicle registration tax. Representatives of the Minnesota Rural Counties Caucus, the Association of Minnesota Counties, and the Minnesota Transportation Alliance all testified against the bill. S.F. 2258 was defeated.

The committee also defeated a bill to change the definition of "first haul," which refers to the transport of raw farm products from their place of production or on-farm storage to their initial destination, such as a grain elevator. The distance allowed for a first haul is increased from 50 to 100 miles in S.F. 2248, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls). The bill also eliminates the requirement to keep records of the weight of raw and unfinished farm products involved in a first haul regardless of the type of vehicle. Under current law, first hauls transported in some vehicles are exempt from the recordkeeping requirement.

Stumpf said farmers in his district had requested an extension of the distance allowed for first haul to 100 miles. He said in his district the average size of farms has grown dramatically and farmland is often not contiguous so farmers have to take their "first haul" further distances than in the past.

Betsy Parker of MnDOT said the department has serious concerns about the effect of the bill on state roads. The bill "would further degradate a road

system that already is in need of repair," said Todd Iverson of the Minnesota Trucking Association. Iverson said increasing the distance allowed for "first haul" takes away business from small, local trucking companies and grain elevators. S.F. 2248 was defeated.

The committee heard a bill continuing the program for registration of interstate hazardous materials transporters and changing some of the program's requirements. S.F. 2316, authored by Sen. Steve Murphy (DFL-Red Wing), removes the Aug. 1, 1998 sunset of the Uniform Hazardous Waste Transportation Program. A provision of the bill states that an interstate transporter of hazardous materials, excluding hazardous waste, that is required to register in Minnesota must file both parts of the uniform application for a MnDOT permit. Carriers involved only in intrastate transportation of hazardous materials are allowed to file only one part of the application and pay a \$15-per-vehicle fee rather than a fee based on apportioned total miles. The bill also eliminates the requirement that the fingerprints of a person with direct management responsibility for a carrier's hazardous waste transportation operations must accompany an application for a permit to transport hazardous materials. Without testimony or discussion by the committee, S.F. 2316 was approved.

Housekeeping bills approved

The Transportation Committee, chaired by Sen. Carol Flynn (DFL-Mpls.), considered five bills, including housekeeping bills from the Departments of Public Safety and Transportation, at a meeting, Tues., Feb. 10.

Sen. Dallas Sams (DFL-Staples) sponsored the Dept. of Public Safety housekeeping bill, S.F. 2318. The bill has several provisions, including one that allows the department to issue personalized license plates to pickup trucks with a manufacturer's nominal rated capacity of one ton or less. Under current law, the cutoff is 9,000 pounds. There is a provision that clarifies that the age of a DWI violator will be determined as of the date of violation for the purpose of determining the appropriate license revocation period.

A provision of the bill states that a petition for appeal of a driver's license revocation, suspension, cancellation,

disqualification, or refusal to license must be filed no later than the earlier of 180 days following the effective date of the revocation order or before expiration of the withdrawal period. Sams said this provision was requested by the Attorney General's Office.

There is a provision that requires a person whose driver's license was suspended for failure to appear in court to pay the same reinstatement fee as drivers whose licenses were suspended for other reasons.

Sams offered four amendments, all of which were adopted. The amendments include a change in the distance allowed for "first haul" of agricultural products from a 25-mile to a 100-mile radius from a farm. Betsy Parker of MnDOT said the department does not oppose the amendment. Other amendments created a new form for licensed auto dealers and changed signage requirements for independent auto brokers. S.F. 2318 was approved and sent to the Senate floor.

Sen. Janet Johnson (DFL-North Branch) sponsored the MnDOT housekeeping bill, S.F. 2592. The bill reapportions the net highway user tax distribution fund, creates the flexible highway account for trunk highways or for restoration of former trunk highways that have been turned back to cities or counties, and reduces the amount of the county turnback account that must be expended on town road bridges and town road culverts. S.F. 2592 was approved and sent to the Senate floor.

Sen. Janet Johnson also sponsored a bill designating a portion of State Highway 95 from Cambridge to North Branch the Timothy Bowe Memorial Highway. Corporal Bowe was a fifteen-year veteran of the Minnesota State Patrol who was killed in the line of duty June 7, 1997. The bill states that the cost of new signs for the highway will be paid by the local community. Cambridge Township, the Isanti County Law Enforcement Association, and others have already contributed to a fund. S.F. 2335 was approved and sent to the Senate floor.

Sen. Claire Robling (R-Prior Lake) authored a bill, S.F. 2820, creating a major projects account in the trunk highway fund and transferring 30 percent of the motor vehicle sales tax proceeds to the account. The remainder is credited to the general fund. The bill allows funds in the major projects account to be used only to match federal

funds for major trunk highway projects. To qualify as a "major trunk highway project," the project must cost at least \$100 million, or more than the average annual highway improvement budget in the transportation district of the project. The project must require at least five years to plan and construct, and be a critical element of the region and state transportation system. Robling pointed to Highway 12 as an example of a major trunk highway project that is "long overdue." S.F. 2820 was referred to the Transportation Budget Division.

Sen. Dean Johnson (R-Willmar) presented S.F. 298, a bill adding tractor combinations to the list of vehicles which must provide wheel flaps above and behind the rearmost wheels of the vehicle. The bill was approved and sent to the Senate floor.

Driver's license bills debated

Bills changing the licensing requirements of both young and elderly drivers were debated at a Weds., Feb. 11 meeting of the Transportation Committee, chaired by Sen. Carol Flynn (DFL-Mpls.).

Sen. Ember Junge (DFL-New Hope) sponsored S.F. 2407, a bill establishing a three-stage licensing process for young drivers. Junge said the bill increases training and practice for young drivers and motivates safe driving habits by requiring more training and practice if they get a moving violation during the licensing process. She cited Dept. of Public Safety and AAA studies that found 16 year olds are the most dangerous drivers on the road in terms of crashes per miles driven, and 17 year olds are the most likely to die or be injured in a car crash. Junge said the proposed graduated licensing system will make the roads safer, reduce crashes, and save the lives of young people.

The bill establishes a three-stage licensing process for drivers under age 18. The first stage is a six-month learner permit for drivers age 15 and older. A permit holder under age 18 may drive only with a licensed parent, guardian or authorized driver, 21 years of age or older, who has been licensed at least three years.

The second stage is a provisional license for 16-17 year old drivers. To apply for a provisional license, a permit holder must have a conviction-free

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driving record for at least 6 consecutive months, at least 30 supervised practice hours that are verified by a parent, and completion of a driver training course. A provisional license driver must be accompanied by a parent, guardian or authorized driver, 21 years of age or older, during curfew hours (12:00 p.m.-5:00 a.m.). There is an exemption for people driving directly between home and work or for educational purposes, and who have a permission note from a parent or guardian.

Youth-oriented driver improvement clinics may be required of provisional license holders after violations or at-fault crashes. To apply for a regular driver's license a provisional license holder must be at least 17 years old, have no driving-related violations or involvement in at-fault crashes for 12 consecutive months, and have at least 10 supervised provisional license hours that are verified by a parent.

Steven Frank, president and CEO, AAA of Minneapolis, said that because "the issue of young drivers is being recognized more and more as a public safety issue," AAA strongly supports the bill. He said, in a recent survey of AAA members in Hennepin County, 91 percent supported the graduated licensing system. "I think this bill gives youthful drivers greater experience while driving," he said.

Sara Krentz, a student at Stillwater Junior High, said she was "disappointed in the distrust of teenage drivers evident in this bill." She said the curfew provision in particular may cause problems for young drivers who, although not driving home from work or school, may have a legitimate reason to be on the road past midnight.

Junge said the curfew provision has been the main criticism of the bill that she has heard. She agreed to change the language of the provision to allow a provisional license holder to drive after curfew if he or she has a note of permission from a parent or guardian. S.F. 2407 was approved and sent to the Senate floor.

Sen. Deanna Wiener authored S.F. 3083, a bill requiring driver's licenses for people over 70 to be renewed every two years, rather than every four years, as is the case under current law. The bill reduces by half the driver's license renewal fee for a driver who is at least 70 years old, and includes a provision

appropriating funds from the Trunk Highway Fund to cover the increase in costs to the Dept. of Public Safety.

Wiener said the idea for the bill was brought to her by a constituent, Mark Huffington, whose daughter was killed, and wife seriously injured, in a car crash caused by an elderly person driving the wrong way on a highway. Wiener said the bill "will make the world safer, prevent family tragedies, and increase confidence in drivers of all ages."

Jack Wild, Driver and Vehicle Services, Dept. of Public Safety, said there will be a significant fiscal impact on the department as a result of the bill. He said there are over 360,000 drivers 70 years and older in Minnesota who will be coming in twice as often to have their licenses renewed. He said relicensing, which only involves an eye test, may not accomplish the objective of disqualifying dangerous elderly drivers because it is usually diminished cognitive skills and physical reflexes, not eyesight, that is the problem.

Flynn said she thought there should be hearings on the bill and its alternatives over the summer in order to fully understand the issue. Sen. Randy Kelly (DFL-St. Paul) offered a motion to amend the bill to delay its effective date from July 1, 1998 to July 1, 1999. S.F. 3083, as amended, was approved and sent to the Transportation Budget Division.

Transportation Budget Division

Bonding bills heard

The Transportation Budget Division, chaired by Sen. Janet Johnson (DFL-North Branch), heard three bills at a meeting Weds., Feb. 11. The bills will be considered next week for inclusion in the transportation bonding bill.

Sen. Roger Moe (DFL-Erskine) sponsored S.F. 2222, a bill appropriating \$35 million in each of the fiscal years ending June 30, 1999, through June 30, 2003, from the separate bridge account in the trunk highway fund for the reconstruction and replacement of key bridges on the state trunk highway system. The bill authorizes the MnDOT commissioner to issue and sell Minnesota trunk highway bonds, the proceeds of which will be deposited in the separate bridge account.

Don Flemming, a state bridge engineer

at MnDOT, said, "As we move into the future, we'll be facing a tremendous number of bridges which need replacing so it's important to take care of the backlog of bridges needing replacement now." Among the significant trunk highway bridges in need of replacement or renovation due to fatigue and other conditions, are the Lexington Avenue Bridge over the Mississippi River on I35-E, the I-35W bridge over the Mississippi River near the University of Minnesota, and the Hastings Bridge connecting Cottage Grove and Hastings. He said that, while the separate bridge account normally receives \$40 million each year from the Trunk Highway Fund, there are so many bridges in need of repair or replacement that an additional infusion of money is required.

Johnson sponsored two bills appropriating money to the Metropolitan Council. S.F. 3098 appropriates \$16 million to the Met Council and \$6 million to the MnDOT commissioner for transit vehicle replacement in the Metro Area and in Greater Minnesota. Representatives of the Minnesota Public Transit Association, the Minnesota Valley Authority, and the Dept. of Public Works, testified in support of the bill.

S.F. 3098, also sponsored by Johnson, appropriates \$8.6 million for Met Council transit operations, and \$2.9 million for Greater Minnesota transit operations, from the general fund for FY 99. Of the funds for Greater Minnesota, \$2.4 million is applied toward access to welfare-to-work jobs and training, and \$300,000 is for operating assistance to public transit systems currently assisted by MnDOT, such as the St. Cloud system. The remaining \$200,000 is for costs relating to a formula change in the bill that reduces the limit from 55 percent to 50 percent of the operating costs of a large urbanized area transit service that can be paid out of local sources. This provision affects the Duluth transit system.

The three bills will be considered, along with the other bonding requests for transportation, for inclusion in the division's bonding bill next week.

Floor action

Absentee voting discussed

The Mon., Feb. 9, floor session was devoted to clearing bills from the various

Senate Calendars. In addition, members began work on General Orders and gave preliminary passage to a total of 20 bills. Most of the measures were approved without a great deal of discussion. However, three bills dealing with absentee voting did spark debate.

S.F. 2221, authored by Sen. Charles Wiger (DFL-St. Paul), authorizes an extension of a pilot program testing open absentee balloting in Ramsey County. S.F. 2118, sponsored by Sen. Linda Higgins (DFL-Mpls.), authorizes experimental balloting in Hennepin County. Both authors emphasized that their bills were limited to their respective counties and that the bills were aimed at making it easier for citizens to vote. Sen. Linda Scheid (DFL-Brooklyn Park) is the author of a bill, S.F. 2148, making it easier to use absentee ballots on a statewide basis. Scheid said that the purpose of the bill is to allow absentee voting. She said that the governor vetoed the bill authorizing absentee balloting last year because it did not require individuals to give a reason for wanting to vote by absentee ballot. She said that S.F. 2148 does require voters to give a reason and thus, deals with the governor's objections. Scheid also said that the bill is designed to improve access to the electoral process for those who, for one reason or another, find it difficult to get to the polls.

Sen. Mark Ourada (R-Buffalo), spoke against the measure. He said, "I am opposed to expanding absentee voting. Supporters of the bill say that absentee voting increases turnout, but really it is just treating the symptom. Not voting is because of apathy, not an inability to get to the polls." However, Sen. John Marty (DFL-Roseville) countered, "Voting by absentee ballot is much more complicated than going to the polls and represents a commitment to voting." Sen. Martha Robertson (R-Minnetonka) also supported the bill, "The bill makes the process more consumer friendly and reflects today's complicated schedules.

All three bills were given preliminary passage on a voice vote.

Seventeen other measures were also given preliminary passage on General Orders. S.F. 2017, authored by Sen. Roger D. Moe (DFL-Erskine), exempts the reconstruction of the Bridges Medical Center in Norman County from competitive bid requirements. Moe said that the

complex had been damaged in the 1997 flooding and that the bill was needed to speed up the construction process. S.F. 2089, authored by Sen. Linda Berglin (DFL-Mpls.), clarifies criminal liability for the crime of burglary by making the crime extend to accomplices. S.F. 2031, authored by Sen. Don Betzold (DFL-Fridley), makes a number of technical changes to statutes dealing with the regulation of conveyances and other transactions relating to real and personal property. The measure also makes corrective changes to the Uniform Partnership Act of 1994.

S.F. 2230, sponsored by Sen. Deanna Wiener (DFL-Eagan), modifies the definition of housing for the elderly. S.F. 2156, carried by Higgins, removes the dollar limitation for small purchases that may be authorized by the Hennepin County Board. H.F. 661, also carried by Higgins recodifies, clarifies and relocates statutes relating to landlords and tenants. S.F. 2261, authored by Sen. Dallas Sams (DFL-Staples), provides for rural critical access hospitals. S.F. 2167, authored by Sen. James Metzen (DFL-South St. Paul), alters the Gulf War veterans bonus program to make it easier to verify eligibility. S.F. 2384, carried by Sen. Janet Johnson (DFL-North Branch), permits the appointment of the county recorder in Chisago County. S.F. 2163, authored by Sen. David Knutson (R-Burnsville), allows non-profit organizations to make isolated or occasional sales or leases of vehicles to low-income people without applying for a dealer's license.

S.F. 2028, carried by Sen. Dallas Sams (DFL-Staples), requires medical emergency vehicle to sound both audible signals and display lighted red lights when responding to an emergency. S.F. 2170, authored by Sen. Bob Lessard (DFL-Int'l. Falls), exempts licensed sellers of boat and snowmobile trailers from some contract or franchise requirements and exempts watercraft trailers and all-terrain vehicle trailers from the prohibition against sales of motor vehicles on Sunday. S.F. 2119, authored by Sen. Janet Johnson (DFL-North Branch), authorizes municipalities to provide for contract bid specifications, design and construction standards. S.F. 2525, carried by Wiger, authorizes Ramsey County to make purchases from or through a health care cooperative.

S.F. 2040, sponsored by Sen. Leo Foley (DFL-Anoka), modifies provisions dealing with the procedure for proceeding directly to hearing in the administrative process. S.F. 2252, authored by Sen. Deanna Wiener (DFL-Eagan), authorizes sentences to programs of intensive supervision for enhanced DWI offenses. S.F. 2402, sponsored by Sen. Dan Stevens (R-Mora), prohibits the unauthorized possession of, or damage to, plastic merchandise pallets.

Senators also granted final passage to one measure. S.F. 1480, authored by Sen. Richard Cohen (DFL-St. Paul), fixes the conditions for the disclosure of information subject to the Minnesota Free Flow of Information Act. Several measures were also granted final passage on the Consent Calendar. S.F. 2030, authored by Sen. Linda Berglin (DFL-Mpls.), changes provisions to the putative fathers' registry law. S.F. 1440, carried by Sen. Jane Ranum (DFL-Mpls.), provides for questions of law certified between the appellate courts of this state and other states and nations and enacts the 1997 Uniform Certification of Questions of Law Act. H.F. 2524, carried by Sen. Don Betzold (DFL-Fridley), corrects erroneous, ambiguous and omitted text in the statutes.

Senators also held an extremely brief floor session Weds., Feb. 11, in order to process committee reports.

Bills granted passage

Senators devoted most of the Thurs., Feb. 12, floor session to discussing bills on General Orders. Bills on General Orders are considered by the Senate acting as one large Committee of the Whole. Each bill on General Orders has had two readings and has been reported out of one or more standing committees. Amendments may be offered to bills on General Orders.

Most of the measures considered during floor session were granted preliminary approval with little discussion. However, a couple of bills did spark some debate. S.F. 2149, authored by Sen. Linda Scheid (DFL-Brooklyn Park), provides for the automatic updating of voter records when voters move to another residence. Sen. Warren Limmer (R-Maple Grove) and Sen. Claire Robling (R-Prior Lake) said that there are cases when individuals don't want their mailing address to be the same as their primary residence. Scheid

Committee update

countered that the bill makes it easier for people to maintain their registration. The measure was approved on a voice vote.

An amendment to S.F. 2256 also touched off some debate. The bill, sponsored by Sen. John Marty (DFL-Roseville), eliminates some provisions relating to elections that have been found unconstitutional. Discussion, though, centered on an amendment, offered by Marty, providing that individuals who have been committed under the sexual psychopath law not be allowed to vote. Sen. Don Betzold (DFL-Fridley) questioned whether it was appropriate to designate a such a specific category of the population of persons who have been committed to institutions. The amendment was adopted and the bill was given preliminary passage.

Members also granted preliminary passage to several additional bills. S.F. 908, authored by Sen. Edward Oliver (R-Deephaven), provides for the organization, powers, and duties of trust companies, provides fiduciary provisions for trust companies and banks exercising trust powers and regulates interstate trust offices. S.F. 2621, sponsored by Sen. Kenric Scheevel (R-Preston), makes technical changes to laws relating to the Dept. of Economic Security. S.F. 2477, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), codifies reorganization order number 179 with respect to the Dept. of Children, Families and Learning and the Dept. of Economic Security. S.F. 2302, authored by Scheevel, clarifies the conduct of county elections. S.F. 2314, sponsored by Sen. Martha Robertson (R-Minnetonka), makes technical changes to show the director of the office of Technology as a member of various organizations. S.F. 2645, carried by Sen. Charles Wiger (DFL-North St. Paul), modifies requirements for affirmative action plans by contractors doing business with the Metropolitan Council. S.F. 2281, authored by Sen. Pat Pariseau (R-Farmington), clarifies the employment status of specific employees with Dakota County. S.F. 2685, sponsored by Sen. Jim Vickerman (DFL-Tracy), allows an officer of a local governmental unit to contract with the unit under specific conditions.

Two measures on the Consent Calendar were granted final passage. S.F. 2429, carried by Sen. Deanna Wiener (DFL-

Eagan), adds a member to the Local Government Services Advisory Council and clarifies the appointment of members to the council. S.F. 2675, sponsored by Robertson, allows the Office of Technology to designate additional unclassified positions.

Final passage was granted to most of the bills given approval on General Orders during the Mon., Feb. 9, floor session. S.F. 2089, authored by Sen. Linda Berglin (DFL-Mpls.), clarifies criminal liability for the crime of burglary by making the crime extend to accomplices. S.F. 2031, authored by Sen. Don Betzold (DFL-Fridley), makes a number of technical changes to statutes dealing with the regulation of conveyances and other transactions relating to real and personal property. The measure also makes corrective changes to the Uniform Partnership Act of 1994. S.F. 2230, sponsored by Sen. Deanna Wiener (DFL-Eagan), modifies the definition of housing for the elderly. H.F. 661, also carried by Sen. Linda Higgins (DFL-Mpls.) recodifies, clarifies and relocates statutes relating to landlords and tenants.

S.F. 2384, carried by Sen. Janet Johnson (DFL-North Branch), permits the appointment of the county recorder in Chisago County. S.F. 2221, sponsored by Wiger, authorizes extension of a pilot program to test open absentee balloting in Ramsey County. S.F. 2148, authored by Scheid, changes absentee ballot provisions to make absentee voting easier on a statewide basis. S.F. 2118, carried by Higgins, authorizes experimental balloting procedures in Hennepin County. S.F. 2163, authored by Sen. David Knutson (R-Burnsville), allows non-profit organizations to make isolated or occasional sales or leases of vehicles to low-income people without applying for a dealer's license. S.F. 2028, carried by Sen. Dallas Sams (DFL-Staples), requires medical emergency vehicle to sound both audible signals and display lighted red lights when responding to an emergency.

S.F. 2170, authored by Sen. Bob Lessard (DFL-Int'l. Falls), exempts licensed sellers of boat and snowmobile trailers from some contract or franchise requirements and exempts watercraft trailers and all-terrain vehicle trailers from the prohibition against sales of motor vehicles on Sunday. S.F. 2119, authored by Sen. Janet Johnson (DFL-North Branch), authorizes municipalities

to provide for contract bid specifications, design and construction standards. S.F. 2525, carried by Wiger, authorizes Ramsey County to make purchases from or through a health care cooperative.

S.F. 2040, sponsored by Sen. Leo Foley (DFL-Anoka), modifies provisions dealing with the procedure for proceeding directly to hearing in the administrative process. S.F. 2252, authored by Wiener, authorizes sentences to programs of intensive supervision for enhanced DWI offenses. S.F. 2402, sponsored by Sen. Dan Stevens (R-Mora), prohibits the unauthorized possession of, or damage to, plastic merchandise pallets.

Several bills given preliminary passage Monday were not acted upon because the measures were in the process of being compared to House companion bills.

Senators also granted concurrence and repassage to S.F. 2111. The bill, sponsored by Sen. Don Samuelson (DFL-Brainerd), extends the period for fish house licenses by one day.

At the end of the day's session, Sen. Allan Spear (DFL-Mpls.) took a moment to mark the 100th anniversary of the sinking of the battleship Maine. Spear outlined a history of the incident and the subsequent controversy over whether or not the ship was sunk by a Spanish mine in Havana harbor. Spear said that the sinking of the Maine was followed, within 4 months, by the Spanish American War and that the war hysteria of the day was fanned by the media rivalry between the Hearst and Pulitzer newspaper chains. However, Spear said, that regardless of the facts of the incident, over 200 men lost their lives and should be honored on this centenary anniversary. Spear concluded by saying that there are lessons still to be learned from that pivotal incident and that we should all "Remember the Maine."

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Preview

Monday, February 16

The Senate is in session at 10 a.m.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse
12 p.m. Room 318 Capitol
Agenda: To be announced.

Judiciary Committee

Chair: Sen. Jane Ranum
12 noon Room 15 Capitol
Agenda: To be announced.

Election Laws Committee

Chair: Sen. John Marty
1:30 Room 112 Capitol
Agenda: S.F. 2175 - Junge: Requiring written permission of certain organizations.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman
2 p.m. Room 107 Capitol
Agenda: S.F. 2124-Foley: Requiring notice by mosquito control district before applications. S.F. 2346-Flynn: Removing age ceiling for new firefighters in Minneapolis. S.F. 2627-Moe: Certain PILT used for road maintenance in unorganized townships. S.F. 2670-Flynn: Providing for county commissioners on Met Council. S.F. 2683-Knutson: Permitting member of city council to vote to fill vacancies. S.F. 2717-Novak: Establishing corridor planning pilot projects. H.F. 2736-Lourey: Authorizing gifts to certain food distribution organizations. S.F. 2791-Wiener: Copies of audited financial statements to city council members and mayor. S.F. 2853-Piper: Making changes to municipal liability. S.F. 3090-Ten Eyck: Providing for dissolution of town subordinate service districts.

Education Finance Committee

Chair: Sen. Keith Langseth
4 p.m. Room 107 Capitol
Agenda: S.F. XXXX Higher Education Budget Division supplemental bill. S.F. 2532 Family and Early Childhood Education Budget Division supplemental bill.

Governmental Operations Budget Division

Chair: Sen. Leonard Price
4 p.m. Room 125 Capitol
Agenda: S.F. 1809-Johnson, D.J.: Nellie

Stone Johnson tribute. S.F. 2660-Morse: Community-based planning. S.F. 2672-Solon: Public employees insurance program.

Health and Family Security Budget Division

Chair: Sen. Don Samuelson
4 p.m. Room 123 Capitol
Agenda: Budget Allocations.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller
6 p.m. Room 112 Capitol
Agenda: S.F. 2777-Berg: Bonds for construction of education center for Independent School District #3; S.F. 2864-Samuelson: Little Falls Library bonding request; S.F. 2871-Lourey: Bonds for sports and physical education for Independent School District #700; S.F. 2952-Oliver: Eastern Carver community collaborative; S.F. 2964-Flynn: Urban sports facilities; S.F. 3159-Scheevel: Modifying building construction down payment program; S.F. 3160-Scheevel: Authorizing levy for extracurricular activities; S.F. 2995-Wiger: Health and safety revenue for new construction; S.F. 2996-Novak: Authorizing Moundsview to use health and safety revenue.

Judiciary Subcommittee on Data Privacy and Information Policy

Chair: Sen. Don Betzold
6 p.m. Room 107 Capitol
Agenda: To be announced.

Tuesday, February 17

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse
8 a.m. Room 123 Capitol
Agenda: S.F. 2559-Laidig: International Wolf Center.

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper
8 a.m. Room 15 Capitol
Agenda: Guard Our Youth - After School Enrichment Report. Department of Military Affairs. Citizenship Promotion Program Report. Program Linkages Report. Low-Income Energy Assistance Report. Department of Children, Families and Learning.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf
8 a.m. Room 107 Capitol
Agenda: Capital budget presentation by the University of Minnesota.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller
8 a.m. Room 112 Capitol
Agenda: S.F. 2472-Robertson: Special Education. S.F. 2185-Robertson: Department Technical Bill. S.F. 2940-Knutson: Notice to parents of students w/disabilities of goals. S.F. 2468-Olson: Department policy bill. S.F. 2932-Lourey: Modifying special ed assessments to comply with federal law.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen
12 noon Room 15 Capitol
Agenda: To be announced.

Transportation Committee

Chair: Sen. Carol Flynn
12 noon Room 112 Capitol
Agenda: To be announced.

Commerce Committee

Chair: Sen. Sam Solon
2 p.m. Room 112 Capitol
Agenda: S.F. 2540-Oliver: Liability for loss of debit card. S.F. 2928-Hottinger: Prohibiting insurance companies from participating in illegal rebates. S.F. 2489-Solon: Regulating mortgage loans; establishing table funding requirements. S.F. 2130-Foley: Definition of durable medical equipment.

State Government Finance Committee

Chair: Sen. Richard Cohen
4 p.m. Room 107 Capitol
Agenda: Supplemental Transportation bill

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller
6 p.m. Room 112 Capitol
Agenda: To be announced.

Wednesday, February 18

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper
8 a.m. Room 15 Capitol
Agenda: Early Childhood Professional Development Report. Minnesota Insti-

Preview

tute for Early Childhood Professional Development. Lead Hazard Reduction Task Force Report Dept. of Commerce. Administrative Accounts. Dept. of Children, Families and Learning.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf
8 a.m. Room 107 Capitol
Agenda: Completion of capital budget presentation by the U of M. S.F.2071-Moe: Red Lake/Northwest Tech education and training facility. S.F.2308-Dille: U of M conversion of dairy barn. S.F.2466-Kelly: Metro State University library. S.F.2569-Johnson, D.J.: UMD mansion, acquiring land.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller
8 a.m. Room 112 Capitol
Agenda: To be announced.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen
10 a.m. Room 15 Capitol
Agenda: To be announced.

Transportation Committee

Chair: Sen. Carol Flynn
10 a.m. Room 112 Capitol
Agenda: To be announced.

The Senate is in session at noon.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard
12 noon Room 107 Capitol
Agenda: To be Announced.

Judiciary Committee

Chair: Sen. Jane Ranum
12 noon Room 15 Capitol
Agenda: To be Announced.

Commerce Committee

Chair: Sen. Sam Solon
2 p.m. Room 112 Capitol
Agenda: S.F. 2421-Junge: Regulating telemarketing. S.F. 2972-Kleis: Prohibiting social security number as condition of acceptance of a check. H.F. 2315(S.F. 2344)-Oliver: Regulating trademarks and service marks.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse
4 p.m. Room 107 Capitol
Agenda: To be announced.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen
6 p.m. Room 107 Capitol
Agenda: To be announced.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf
6 p.m. Room 123 Capitol
Agenda: Higher education capital budget .

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller
6 p.m. Room 125 Capitol
Agenda: To be announced.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman
6 p.m. Room 112 Capitol
Agenda: To be announced.

Thursday, February 19

The Senate is in session at 8 a.m.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen
12 noon Room 15 Capitol
Agenda: To be announced.

Transportation Committee

Chair: Sen. Carol Flynn
12 noon Room 112 Capitol
Agenda: To be announced.

Commerce Committee

Chair: Sen. Sam Solon
2 p.m. Room 112 Capitol
Agenda: S.F. 2728-Hottinger: Prohibiting ATM fees. S.F. 2550-Fischbach: Prohibiting solicitation of loans by mailing checks payable to addressee. Additional bills may be added.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse
4 p.m. Room 318 Capitol
Agenda: To be announced.

Governmental Operations and Veterans Committee

Chair: Sen. Jim Metzen
6 p.m. Room 123 Capitol
Agenda: To be announced.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller
6 p.m. Room 125 Capitol
Agenda: To be announced.

Friday, February 20

Family and Early Childhood Education Budget Division

Chair: Sen. Pat Piper
8 a.m. Room 15 Capitol
Agenda: To be announced.

Higher Education Budget Division

Chair: Sen. LeRoy Stumpf
8 a.m. Room 107 Capitol
Agenda: Complete and move capital budget out of division.

K-12 Budget Division

Chair: Sen. Lawrence Pogemiller
8 a.m. Room 112 Capitol
Agenda: To be announced.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse
9 a.m. Room 318 Capitol
Agenda: To be announced.

Environment and Natural Resources Committee

Chair: Sen. Bob Lessard
12 noon Room 107 Capitol
Agenda: To be announced.

Judiciary Committee

Chair: Sen. Jane Ranum
12 noon Room 15 Capitol
Agenda: To be announced.

Crime Prevention Committee

Chair: Sen. Allan Spear
2 p.m. Room 15 Capitol
Agenda: S.F. 2078-Junge: Increasing the mandatory minimum sentence for illegal possession of firearms by ex-felons. S.F. 2099-Foley: Decreasing the blood alcohol concentration level required for per se DWI from 0.10 to 0.08. S.F. 2586-Kelly, R.C.: Modifying provisions of law relating to sex offender notification and the sex offender treatment evaluation project.

State Government Finance Committee

Chair: Sen. Richard Cohen
4 p.m. Room 107 Capitol
Agenda: Supplemental Environment and Agriculture bill.

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Party	Phone	Name	Room	Dist.	Party	Phone	Name	Room	Dist.
DFL	296-5537	Anderson, Ellen R.	G-24 Cap.	66	DFL	6-5645	Marty, John	325 Cap.	54
DFL	6-5713	Beckman, Tracy L.	124B Cap.	26	DFL	6-4370	Metzen, James P.	303 Cap.	39
R	6-5975	Belanger, William V.	113 SOB	41	DFL	6-2577	Moe, Roger D.	208 Cap.	2
IND	6-5094	Berg, Charles A.	G-51 SOB	13	DFL	6-5649	Morse, Steven	G-24 Cap.	32
DFL	6-4261	Berglin, Linda	309 Cap.	61	DFL	6-4264	Murphy, Steve	301 Cap.	29
DFL	6-2556	Betzold, Don	306 Cap.	48	R	6-1279	Neuville, Thomas M.	123 SOB	25
DFL	6-5931	Cohen, Richard J.	317 Cap.	64	DFL	6-4334	Novak, Steven G.	322 Cap.	52
R	6-9457	Day, Dick	147 SOB	28	R	6-4837	Oliver, Edward C.	121 SOB	43
R	6-4131	Dille, Steve	103 SOB	20	R	6-1282	Olson, Gen	119 SOB	34
R	6-2084	Fischbach, Michelle L.	149 SOB	14	R	6-5981	Ourada, Mark	145 SOB	19
DFL	6-4274	Flynn, Carol	120 Cap.	62	DFL	6-1802	Pappas, Sandra L.	120 Cap.	65
DFL	6-4154	Foley, Leo T.	G-9 Cap.	49	R	6-5252	Pariseau, Pat	109 SOB	37
R	6-8138	Frederickson, Dennis R.	139 SOB	23	DFL	6-9248	Piper, Pat	G-9 Cap.	27
DFL	6-3219	Hanson, Paula E.	328 Cap.	50	DFL	6-7809	Pogemiller, Lawrence J.	235 Cap.	59
DFL	6-9246	Higgins, Linda I.	227 Cap.	58	DFL	7-8060	Price, Leonard R.	235 Cap.	57
DFL	6-6153	Hottinger, John C.	120 Cap.	24	DFL	7-8061	Ranum, Jane B.	306 Cap.	63
DFL	6-8017	Janezich, Jerry R.	328 Cap.	5	R	6-4314	Robertson, Martha R.	125 SOB	45
DFL	6-9261	Johnson, Dave	111 Cap.	40	R	6-4123	Robling, Claire A.	151 SOB	35
R	6-3826	Johnson, Dean E.	117 SOB	15	R	6-1253	Runbeck, Linda	107 SOB	53
DFL	6-8881	Johnson, Douglas J.	205 Cap.	6	DFL	7-8063	Sams, Dallas C.	328 Cap.	11
DFL	6-5419	Johnson, Janet B.	G-9 Cap.	18	DFL	6-4875	Samuelson, Don	124 Cap.	12
DFL	6-2889	Junge, Ember R.	205 Cap.	46	R	6-3903	Scheevel, Kenric J.	129 SOB	31
DFL	7-8065	Kelley, Steve	321 Cap.	44	DFL	6-8869	Scheid, Linda	317 Cap.	47
DFL	6-5285	Kelly, Randy C.	323 Cap.	67	DFL	6-4188	Solon, Sam G.	303 Cap.	7
R	6-4848	Kiscaden, Sheila M.	135 SOB	30	DFL	6-4191	Spear, Allan H.	120 Cap.	60
R	6-6455	Kleis, Dave	143 SOB	16	R	6-8075	Stevens, Dan	105 SOB	17
R	6-4120	Knutson, David L.	133 SOB	36	DFL	6-8660	Stumpf, LeRoy A.	G-24 Cap.	1
DFL	6-7061	Krentz, Jane	235 Cap.	51	DFL	6-4913	Ten Eyck, David J.	G-24F Cap.	4
R	6-4351	Laidig, Gary W.	141 SOB	56	R	6-6238	Terwilliger, Roy	115 SOB	42
DFL	6-3205	Langseth, Keith	122 Cap.	9	DFL	6-5650	Vickerman, Jim	226 Cap.	22
R	6-5655	Larson, Cal	153 SOB	10	DFL	7-8073	Wiener, Deanna L.	303 Cap.	38
R	6-4125	Lesewski, Arlene J.	131 SOB	21	DFL	6-6820	Wiger, Charles W.	325 Cap.	55
DFL	6-4136	Lessard, Bob	111 Cap.	3	Capitol address: 75 Constitution Avenue				
R	6-2159	Limmer, Warren	127 SOB	33	State Office Building address: 100 Constitution Avenue				
DFL	6-0293	Lourey, Becky	G-9 Cap.	8	St. Paul, MN 55155				

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Senate Briefly

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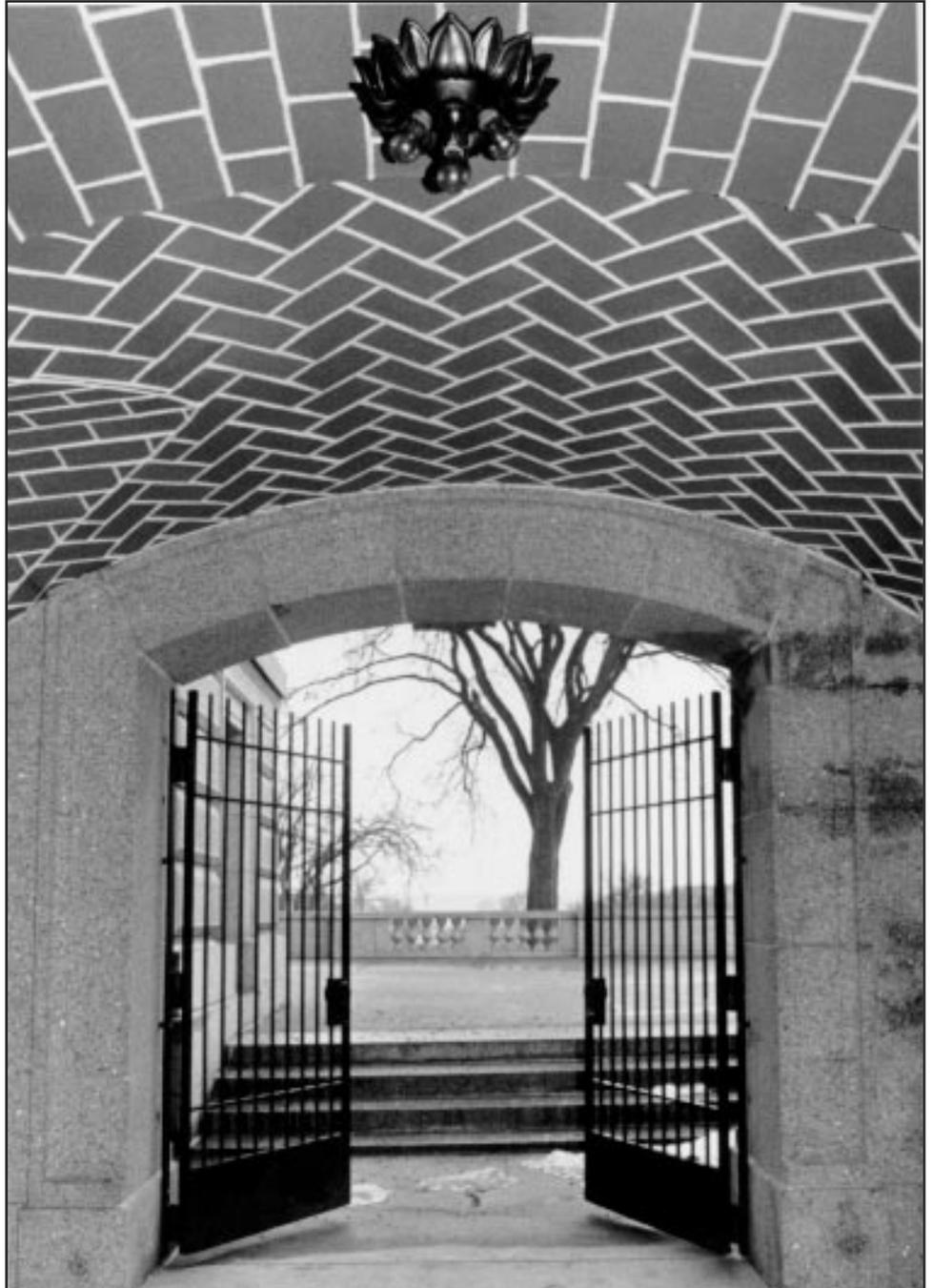
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Photo by Andrea Murrill.



February 20, 1998

Senate Highlights

Omnibus bills passed

The Thurs., Feb. 19, floor session was devoted to debate on two of the omnibus supplemental budget bills. Both the omnibus higher education budget bill, S.F. 3297, and the omnibus family and early childhood education budget bill, S.F. 2532, were granted final passage.

Sen. LeRoy Stumpf (DFL-Thief River Falls) outlined the provisions of the higher education budget bill. Stumpf said that the appropriations are designed to help stabilize funding for higher education because of funds added into the base for both the University of Minnesota system and the Minnesota State Colleges and University system (MnSCU). He said that throughout the 1990s, the higher education system has had an extraordinary number of high one-time expenditures and in this budget, the division adopted the governor's targets for recurring expenditures. Stumpf said the spending in the bill totals \$63.5 million; \$32 million for the University of Minnesota and \$31.5 million earmarked for the MnSCU system.

Stumpf said the appropriations for MnSCU include \$4 million for faculty and staff development, \$6 million for

increasing the number of graduates in critical career areas identified in partnership with business and industry, and \$21.5 million for campus and system wide initiatives to foster student success by making an equipment base adjustment, maintaining buildings and providing training for students, faculty and staff in instructional technology. In addition, Stumpf said the \$32 million appropriation for the University of Minnesota includes funding for supporting faculty and staff and for academic initiatives. Finally, Stumpf said the bill includes a financial aid provision reducing student responsibility, for the state grant program, from 50 percent to 47 percent of the cost of attending a postsecondary institution of the student's choosing.

There was little debate on the measure. Sen. Douglas Johnson (DFL-Tower) offered, and the Senate accepted, an amendment specifying that the U of M board of trustees spend one percent more in FY 1999 than was spent in FY 1998 on direct instruction. The bill was granted final passage on a 61-0 roll call vote.

The second measure, the omnibus family and early childhood education supplemental budget bill, was presented by Sen. Pat Piper (DFL-Austin). Piper

said the division was given a target of \$15 million of general funds and \$5 million of Tanf reserve funds. The bill appropriates \$10 million for basic sliding fee child care assistance, \$2.75 million for early Head Start programs, \$3.5 million for child care quality and capacity development, \$1 million for expansion of emergency shelters, \$1 million for expansion of the capacity of transitional housing services, \$250,000 for lead hazard reduction, and \$1.5 million for child care data management. Piper said the funding for basic sliding fee child care assistance enables the program to serve more than 2,000 additional families and eliminates two-thirds of the current waiting list. In addition, Piper said the funding allows families who come off welfare to not be forced back onto welfare because they can't afford child care.

Debate on the measure centered on the appropriation for early Head Start programs. Piper said that a growing body of research suggests that the time from birth through age three is the most critical time in childhood development. The bill targets \$2.75 for programs aimed at children age 0-3. Sen. Sheila Kiscaden argued that the appropriation might not be the most cost effective method of using state funds. "I think we are building an infrastructure for something we have questions about and perhaps we should be looking at a broader approach," she said. In addition, Kiscaden said that the traditional focus of Head Start has been on family involvement but that the early Head Start programs combine Head Start programming with child care services, leaving out the parental involvement component. Piper countered that the parental involvement segment is still there but outside the work day. "Studies show we must start earlier and that family involvement need not be constant during the day," she said.

Sen. Thomas Neville (R-Northfield) offered an amendment to delete the portion of the bill providing an appropriation for early Head Start. The amendment was defeated on a voice vote. The bill was granted final passage on a 53-8 roll call vote.

Members also granted final passage to one bill on the Senate Calendar. S.F. 2315, authored by Sen. Martha Robertson (R-Minnetonka), makes technical changes to show the director of

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the Office of Technology as a member of various organizations.

Sen. Pat Pariseau (R-Farmington) made a motion under Senate Rule 40 to withdraw S.F. 792 from the Crime Prevention Committee and place the measure on General Orders. The measure, known as the conceal-carry bill, provides that permits to carry a firearm must be issued to responsible, competent adults. Pariseau said that though she had made several requests the bill had not been scheduled for a hearing. Sen. Roger D. Moe (DFL-Erskine) said that the short session had necessitated a situation in which not all bills could be heard. Members defeated Pariseau's motion on a 21-41 roll call vote.

Supplemental budget bill okayed

The Transportation Budget Division, chaired by Sen. Janet Johnson (DFL-North Branch), approved the supplemental budget bill at a meeting Thurs., Feb. 12.

The supplemental bill, carried by Johnson, appropriates a total of \$45.352 million to the departments of Public Safety and Transportation in the FY 98-99 biennium. Of that amount, \$44.958 million is appropriated from the Trunk Highway Fund, \$344,000 from the general fund, and \$50,000 from the Highway User's Tax Distribution Fund.

The supplemental appropriations for the Dept. of Public Safety include \$4.047 million from the Trunk Highway Fund, \$294,000 from the general fund, and \$50,000 from the highway user tax distribution fund. The state patrol appropriations for FY 99 include \$294,000 from the general fund for additional capitol security staff, \$694,000 from the trunk highway fund for communications equipment, \$2.918 million from the trunk highway fund for 25 additional state troopers and related support staff, and \$50,000 from the highway user tax distribution fund for a vehicle titling and registration study. Driver and vehicle appropriations include \$200,000 in FY 98 and \$235,000 in FY 99 for increased costs of driver license and identification card production.

The supplemental appropriations for MnDOT include \$35 million in FY 99 from the trunk highway fund for state road construction, \$5.9 million in FY 99 from the trunk highway fund for design and construction engineering, and

\$50,000 from the general fund and \$11,000 from the trunk highway fund in FY 99 for transfer to the state airports fund to reimburse the fund for transportation services.

Sen. Mark Ourada (R-Buffalo) offered an amendment to delete a section of the bill allowing an officer to cite a driver or passenger for a seat belt violation as a primary offense. Ourada said the seat-belt section "puts the bill in peril." The amendment was adopted.

Ourada presented, then withdrew, an amendment prohibiting expenditures from the trunk highway fund for a nonhighway purpose. Ourada said the State Supreme Court has twice ruled unconstitutional the use of trunk highway funds for a nonhighway purpose. Flynn suggested the committee ask the Attorney General's Office or the commissioner of finance for their opinions. Ourada withdrew his amendment, but said he will continue to pursue the issue.

Sen. Jim Vickerman (DFL-Tracy) sponsored a bill exempting owners of aircraft used exclusively as air ambulances from paying the aircraft registration tax provided the operator is licensed by the Minnesota Emergency Medical Services Regulatory Board. Vickerman said the fiscal note for the bill shows a cost of \$98,000 in FY 99 to the State Airport's Fund. Andy Kirkoff, president of a local air ambulance provider, said the intent of the bill is to help the not-for-profit organizations who provide air ambulance services. S.F. 2129 was approved and added to the transportation omnibus bill.

Sen. Randy Kelly (DFL-Mpls.) sponsored a bill directing the Dept. of Public Safety to study the use of blue lights on emergency vehicles. Sgt. Halverson of the State Patrol said he thought the department could conduct the study for "quite a bit less" than the proposed \$50,000. Sen. Keith Langseth (DFL-Glyndon) offered an amendment deleting the appropriation line of the bill. S.F. 2420, as amended, was approved and sent to the Transportation Committee.

Rule 40 invoked

The Rules and Administration Committee, chaired by Majority Leader Roger D. Moe (DFL-Erskine), met Mon., Feb. 16, and used a relatively rare parliamentary procedure to withdraw a bill from a committee.

The bill under discussion, H.F. 113, carried by Sen. Steven Morse (DFL-Dakota), provides for a Constitutional amendment to be placed on the ballot this year for extension of state lottery proceeds crediting to the environment and natural resources trust fund. The bill extends, until the year 2020, the period during which at least 40 percent of the net proceeds from the state lottery must be credited to the environment and natural resources trust fund. The measure also modifies authority for appropriations from the fund.

Rule 40 allows the Rules and Administration Committee, upon a majority vote, to withdraw a bill from one committee and refer the measure to another committee. Rule 40 may also be used on the floor of the Senate to move a bill from one committee to another. However, the rule is seldom invoked because members prefer to follow the established committee process. According to Moe, though, the deadlines were too near to allow the bill to remain in the Environment and Natural Resources Committee. The chair of the committee, Sen. Bob Lessard (DFL-Int'l. Falls), had not scheduled a hearing on the bill.

Upon a motion from Moe, the bill was withdrawn from the Environment and Natural Resources Committee and referred to the Local and Metropolitan Government Committee.

Editor's note:

Please be advised that for the balance of the session, schedules and agendas are subject to change with little notice. For the latest information, please consult the Senate World Wide Web site (<http://www.senate.leg.state.mn.us>), or call the Senate Information Office at 296-0504, or toll free at 1-888-2234-1112 (TTY: 296-0250, or toll free 1-888-234-1216). These information sources can provide you with the latest information on meeting times, locations and agendas. In addition, these sources provide information to identify and contact your Senator. If you have e-mail service, you may want to subscribe to the schedule listserv. To subscribe, send a message to listserv@senate.leg.state.mn.us and leave the subject line blank. In the body of the message type the following:
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Committee update

Agriculture and Rural Development

Feedlot bills okayed

The Agriculture and Rural Development Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Thurs., Feb. 12, and took action on several bills regarding livestock feedlots in Minnesota.

S.F. 2622, authored by Sen. Kenric Scheevel (R-Preston), appropriates \$10 million to the commissioner of agriculture to provide grants to counties under the Agricultural Best Management Practices program. Scheevel said the counties must award grants to property owners to bring existing feedlot operations into compliance with state regulatory requirements. He added that the grants must be used for site evaluation, design, installation, repair, and replacement of existing feedlot operation facilities only.

Scheevel said the bill also appropriates \$500,000 to the commissioner of agriculture to identify existing feedlot operations and complete a needs assessment of the total cost of technical and financial assistance required to bring those operations into compliance with existing and proposed state regulatory requirements. S.F. 2622 was approved for inclusion in S.F. 3109, the omnibus agriculture bill.

S.F. 3040, carried by Sen. Steve Murphy (DFL-Red Wing), establishes a \$15 million small feedlot upgrade cost-share program. Murphy said under the program a county participating in the state feedlot permit program, may make a cost-share grant to feedlots with 750 animal units or less. He said a grant can be for up to 70 percent of the project's cost, but can't total more than \$35,000. Murphy added that the feedlot upgrade must be the most cost-effective method to meet Pollution Control Agency or county standards. The bill was approved for inclusion in the omnibus agriculture bill, S.F. 3109.

S.F. 2473, authored by Sen. Dean Johnson (R-Willmar), requires corporations to provide compensation to land owners for pipeline easements. Johnson said any corporation must pay fair compensation for the right-of-way or easement acquired over, through, under, or across any lands for the pipeline. He added that compensation must include damages arising from each year of the

pipeline's construction, operation, and maintenance. The bill was recommended to pass and re-referred to the Jobs, Energy, and Community Development Committee.

S.F. 3109, authored by Sams, requires any plans for a manure storage structure to be prepared or approved by a registered professional engineer or the United States Department of Agriculture, or the natural resources conservation service. Sams said, under the bill, the commissioner of agriculture is required to conduct a study to assess the need for a program for manure applicator training and certification. He said the bill appropriates an undetermined amount of money to the Pollution Control Agency to conduct a generic environmental impact statement (GEIS). Sams added that S.F. 3109 requires the administrator of the Farmer-Lender Mediation Act to establish procedures for resolution of disputes in rural areas involving land, regulation, individuals, businesses, property, or any matter affecting quality of life. Budget provisions of the bill were sent to the Environment and Agriculture Budget Division. The policy portions of the bill were approved and advanced to the Senate floor.

Milk tax approved

The Agriculture and Rural Development Committee, met Tues. Feb. 17, and took action on three bills including one that provides for collection of a milk tax in Minnesota.

S.F. 2448, carried by Sen. Becky Lourey (DFL-Kerrick), establishes a milk assessment of between one and six cents per quart when fluid milk prices fall below \$15 per hundred weight (cwt.). Lourey said money that is appropriated from the general fund to the commissioner of agriculture for payments to Minnesota grade A and B milk producers must be used to make payments at a uniform rate only on the producer's first 300,000 pounds of milk production each month. Lourey said the assessment is expected to raise \$17.1 million per year.

Bill Coleman, of the Dept. of Agriculture Dairy Division, said under the bill farmers receive on average \$1,700 per year in payments. He added that \$12.30 per hundred weight is the lowest price a farmer will get for their grade A and B liquid milk. "Without the change in law prices could fall as low as \$10.20 per

hundred weight," Coleman said. The bill was recommended to pass and referred to the Environment and Agriculture Budget Division.

S.F. 2879, authored by Sen. Jim Vickerman (DFL-Tracy), eliminates the requirement of property descriptions in financing statements, when the statement covers "crops growing or to be grown," for farmers applying for loans. David Holeman, of Farm Credit Service of Northern Minnesota, said the bill eliminates property descriptions when crops are offered as collateral because the system has changed. "Property descriptions are not needed any longer because filing is done by the owners last name," Holeman said. The bill was recommended to pass and referred to the Judiciary Committee.

S.F. 2884, sponsored by Sen. Steve Dille (R-Dassel), provides rule making authority to the Dept. of Agriculture for warehouse and grain storage. Dille said the changes allow the department to amend current rules to account for changes in the industry. The bill was recommended to pass and re-referred to the Governmental Operations Committee.

Children, Families and Learning

Budget bills advance

The supplemental budget bill for higher education and the supplemental and capital budget bills for family and early childhood education were approved Fri., Feb. 13, by the Children, Families and Learning Committee. The committee also considered three proposals to amend the state constitution, but no action was taken.

The higher education budget division supplemental bill was carried by Committee Co-chair LeRoy Stumpf (DFL-Thief River Falls). The bill appropriates \$63.5 million from the general fund in FY 99 for higher education.

The Minnesota State Colleges and Universities Board (MnSCU) receives \$31.5 million. The bill specifies that \$4 million is for education and development activities for college and university faculty and staff, \$6 million is for increasing the number of graduates in critical career areas identified in partnership with business and industry, and

\$21.5 million is for campus and system-wide initiatives to foster student success.

The bill appropriates \$32 million to the University of Minnesota. The funds are to be used for strategic academic initiatives in digital technology, molecular and cellular biology, design, agriculture research and outreach, as well as faculty and staff compensation, an equipment base adjustment, and a faculty set-up and equipment fund. The bill requests the Board of Regents to create a non-profit corporation called the Northstar Research Coalition to leverage the University's research capabilities into economic development results, and appropriates \$500,000 for the project. An appropriation of \$3 million for initiatives designed to sustain Minnesota's renewable natural resource based industries is included.

The bill's financial aid provision reduces the assigned student responsibility, for the state grant program, from 50 percent to 47 percent of the cost of attending the postsecondary institution of a student's choosing.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment to the bill directing the higher education services office, in cooperation with the MnSCU and the University of Minnesota, to study the costs, impacts, and law changes necessary to make child care, work study, or other financial programs more readily accessible. The amendment was adopted. The bill, as amended, was approved and re-referred to the Education Finance Committee.

The supplemental and capital budget bills of the Family and Early Childhood Education Budget Division were sponsored by Committee Co-chair Pat Piper (DFL-Austin). The supplemental bill, S.F. 2532, appropriates \$15 million from the general fund for basic sliding-fee child care assistance, early Head Start, expanded capacity for emergency shelters and transitional housing, and lead hazard reduction. The bill appropriates \$5 million from the Temporary Assistance to Needy Families (TANF) Reserve for development of non-standard child care, facility development grants, training grants for providers, and child care data management.

Sen. Claire Robling (R-Prior Lake) offered an amendment to the bill stating that a family in which a parent provides care for the family's infant child may

receive a subsidy in lieu of assistance if the family is eligible for, or is receiving assistance under the basic sliding fee program. The amendment was adopted. The bill, as amended, was approved and re-referred to the Education Finance Committee.

The capital budget bill for family and early childhood education, S.F. 3029, appropriates \$6 million from the bond proceeds fund to state agencies and political subdivisions to construct or rehabilitate facilities for Head Start or other early childhood programs. Crisis nurseries, which are no longer under CFL's jurisdiction, are deleted from the facilities that may receive grants from the CFL commissioner. The bill abolishes the requirement that 25 percent of grant amounts must be used in conjunction with youth employment and training programs operated by the commissioner. The bill was approved and re-referred to the Education Finance Committee.

The committee heard three proposals for constitutional amendments to be put on the ballot in the 1998 general election. Sen. John Hottinger (DFL-Mankato) sponsored S.F. 2775, proposing an amendment to establish an endowment fund for Minnesota's children ages 0 to 6 years. Sen. Linda Scheid (DFL-Brooklyn Park) authored a proposal for an amendment prohibiting the use of local property tax revenues to finance education. S.F. 3256 states that local property taxes may be used to fund facilities and equipment and to secure and pay debt to finance public school capital facilities. Sen. Steven Morse (DFL-Dakota) sponsored S.F. 486, a bill for an amendment to dedicate lottery funds to Minnesota State Colleges and Universities. The amendment specifies that at least 20 percent of the net proceeds from any state-operated lottery must be appropriated for financial assistance to students attending Minnesota institutions of higher education. No action was taken on any of the bills proposing constitutional amendments.

Commerce

Omnibus liquor bill approved

The Commerce Committee, chaired by Sen. Sam Solon (DFL-Duluth), approved an omnibus liquor bill at a meeting Fri., Feb. 13.

Solon sponsored the bill, which

incorporates eleven bills relating to liquor regulations. Sections authored by Sen. Deanna Wiener (DFL-Eagan), Sen. Pat Piper (DFL-Austin), Sen. Jerry Janezich (DFL-Chisholm), and Sen. LeRoy Stumpf (DFL-Thief River Falls) authorize the cities of Eagan, Albert Lea, Virginia, and East Grand Forks to issue additional on-sale intoxicating liquor licenses. A section authored by David Ten Eyck (DFL-East Gull Lake) authorizes a municipality to issue a temporary on-sale intoxicating liquor license to a state university. A section authored by Sen. Jerry Janezich (DFL-Chisholm) authorizes the commissioner of Public Safety to issue on-sale intoxicating liquor licenses for Giants Ridge Recreation Area in St. Louis County and Ironworld Discovery Center in Chisholm. A section authored by Solon authorizes Canosia Township to permit the off-sale of intoxicating liquor until 10 p.m., Monday through Saturday. S.F. 2274 was approved and sent to the Senate floor.

Sen. John Hottinger (DFL-Mankato) carried a bill authorizing a township mutual company to issue a policy for "secondary" property in combination with a policy issued by a property and casualty insurance company. Secondary property is any real estate or personal property that is not "qualified property," which is defined as dwellings, household goods, farm buildings, farm personal property, and several miscellaneous types of property. The bill exempts portions of such a policy issued by the township mutual company from the insurance laws of the state. S.F. 2883 was approved and sent to the Senate floor.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored S.F. 2966, the Minnesota Residential Mortgage Originator and Servicer Licensing Act. The bill provides for licensing of residential mortgage originators and servicers. Generally, originators are those who either make residential mortgage loans or assist borrowers in the application process, and servicers are those who collect or remit payments related to a residential mortgage loan. The bill requires the licensing of firms that perform these services, but not the employees of those firms. The bill includes provisions specifying the licensing procedures, the requirements to obtain a license, the procedures for discipline against a licensee, and prohibited practices.

Committee update

Sen. Linda Scheid (DFL-Brooklyn Park) offered an amendment to include a subsidiary or operating subsidiary of a financial institution or of a bank holding company as a “financial institution” exempt from the license requirement if the subsidiary or operating subsidiary can demonstrate to the satisfaction of the commerce commissioner that it is regulated and subject to active and ongoing oversight by a federal banking agency or the commissioner. Commerce commissioner David Gruenes said the department supports the amendment. Joan Archer of the Minnesota Bankers Association said the association supports the amendment and the concept of the bill. The amendment was adopted. The bill, as amended, was approved and sent to the Senate floor.

Insurance rebate bill

Three bills were sent to the full Senate during a fast-paced and relatively short meeting of the Commerce Committee, Tues., Feb. 17.

Sen. John Hottinger (DFL-Mankato) authored S.F. 2928, a bill prohibiting affiliates of insurance companies from participating in rebates illegal for insurance companies. Hottinger said the bill levels the playing field, since some insurance companies can presently give a rebate, while others cannot. Doug Franzen, speaking for the National Association of Independent Insurers, said the bill “closes a loophole some creative lawyer came up with.”

Richard Forschler, speaking for Prudential Insurance, testified in opposition to the bill. Forschler said that if a home is purchased through Prudential’s real estate brokerage affiliate, the buyer has the option of having Prudential homeowner’s insurance paid for by the affiliate for a year. “I’m not aware of any consumer complaints,” he said. “I don’t think this is a consumer issue, I think this is a competitiveness issue.” He said the policy is in the best interest of the consumer. “We’re not talking about antitrust violations or agents absolving their responsibility to consumers,” said Forschler.

Hottinger replied that people should be in a position to make insurance decisions free of any lure.

Sen. Dick Day (R-Owatonna) expressed his concern with the repercussions of the bill’s passage. “We’re passing

something that’s actually going to harm consumers,” he said.

Sen. Deanna Wiener (DFL-Eagan) said the argument wasn’t simply reduced to restricting free trade. She said the decision before the committee was either to repeal the existing law’s loophole and provide equal opportunity for all companies, or pass the bill and close the loophole. The bill was recommended for passage and sent to the full Senate.

A bill authored by Sen. Leo Foley (DFL-Anoka), was amended and quickly referred to the full Senate. S.F. 2130 prohibits health plan companies that cover durable medical equipment from using medical coverage criteria for durable medical equipment that limits coverage solely to equipment used in the home. The bill requires the health plan companies covering durable medical equipment to disclose various types of information, including the level of coverage available and criteria and procedures for any required prior authorizations.

Sen. Edward Oliver (R-Deephaven) authored S.F. 2540, a bill limiting the customer liability for the loss or theft of a debit card. Oliver said that, at present, debit cards can have different penalties for loss or theft than credit cards. He said that while credit cards have a ceiling of \$50, which the customer must pay if the card is stolen and used, debit cards presently have a graduated rate of customer responsibility. Essentially, the longer the time between when a card is stolen and used and when the customer reports the loss, the greater the customer’s payment ceiling. Oliver said the bill makes the maximum payment a customer can owe for a stolen debit card the same as for a stolen credit card, \$50. He said that banking companies already have an internally mandated \$50 ceiling for debit cards, and the bill is simply conforming state law to standard industry practice. The bill was recommended for passage and sent to the floor.

Representatives of realty companies, the Minnesota Land Title Association, and the Office of Attorney General spoke on behalf of a bill regulating residential mortgage loans and establishing table funding requirements. Authored by Committee Chair Sam Solon (DFL-Duluth), S.F. 2489 prevents a closing agent from dispersing funds from an escrow security deposit or closing account

unless the funds received from the lender are collected funds or qualified loan funds. The bill requires a lender to deliver to the closing agent, before closing, the collected funds or qualified loan funds.

After it became apparent there was opposition to the bill, time constraints forced the committee to delay action on the bill.

Sick houses bill heard

Two bills authored by Sen. Ember Reichgott Junge (DFL-New Hope) took up most of the Weds., Feb. 18, meeting of the Commerce Committee.

The idea for S.F. 2043 came from the Star-Tribune’s in-depth examination of housing construction, said Junge. The bill makes changes to statutory housing warranties and extends the statute of limitations for actions relating to improvements of real property. The bill also increases continuing education requirements for building contractors.

Lisa Peterson of the Builders Association of Minnesota spoke for the bill. She told the committee about the various protections offered by the bill and gave an example of a buyer’s recourse in case of damage resulting from wetness or condensation.

Steve Madol, a self employed design and remodeling contractor, spoke against the bill. “If you’ll notice, most of the problems are occurring with homes built by the very best builders,” said Madol. He told the committee that many houses recently built to the most stringent energy standards ever enforced were rotting within a few years because of vapor barrier problems. “There’s nothing in this bill that is going to stop the vapor barrier problem,” he said. “It seems perverse to order the construction of houses that will fail, and then turn around and hold the builder responsible.”

After a motion to lay the bill on the table failed, the bill was recommended to pass and re-referred to the Jobs, Energy, and Community Development Committee. Committee Chair Sam Solon (DFL-Duluth) said that he was initially for the bill, but was having second thoughts. “I’m getting very nervous with the testimony and questions being asked,” said Solon. “I hope the other committees give the bill some careful scrutiny.”

Junge’s other bill, S.F. 2421, also drew a significant amount of discussion. The

bill regulates the telemarketing industry, and creates a 'no-call list' to be administered by the Dept. of Commerce. "This bill saves telemarketers the cost of calling the people who do not want to be called," said Junge. Speaking for the bill were representatives of the American Association of Retired People (AARP) and the Office of Attorney General. Doug Davis of the Minnesota chapter of AARP said the bill "greatly curtails telephone fraud." He said that retired people are a specific target of telephone scams.

Sen. Allan Spear (DFL-Mpls.) said that he supported the bill, but felt it didn't go far enough. He said the bill should be amended to include charitable causes on the list of regulated industries. "It boggles my mind that there could be opposition to something as common-sense as this," said Spear.

Other Senators expressed concerns regarding the effect the bill would have on informal selling between friends, or on the telemarketing industry in Greater Minnesota. Runbeck said that the committee should just wait to let technology and the marketplace correct the problems occurring. "We're making it more difficult for people just wanting to start a small enterprise," she said.

The bill was amended after a roll-call vote, and various provisions on the sale of consumer data by the Dept. of Public Safety, the no-call list administered by the Dept. of Commerce, and various definitions were removed from the bill. The bill was then recommended to pass and referred to the Governmental Operations Budget Division.

Two additional bills were discussed and sent to the floor. The bills regulate trademarks and service marks, and the use of spousal credit history.

S.F. 2136, authored by Sen. Deanna Wiener (DFL-Eagan), requires creditors to consider a credit history in the name of an applicant's spouse. The bill also requires that creditors report a credit history in the names of both spouses. The bill was amended, recommended to pass, and sent to the floor.

H.F. 2315, authored by Sen. Edward Oliver (R-Deephaven), makes a number of changes to trademark and service mark regulation. Testifying for the bill were members of the Office of the Secretary of State and the International Trademark Association (INTA). Oliver said that

the bill was essentially based on changes recommended by INTA. Secretary of State representative Bert Black said his office and INTA had been working on the changes incorporated in the bill for the last year and a half.

The bill was recommended to pass and sent to the floor.

Crime Prevention

Verdicts debated

A bill providing for a new category of verdict was a focal point for discussion at the Thurs., Feb. 12 evening meeting of the Crime Prevention Committee. S.F. 2801, authored by Sen. Douglas Johnson (DFL-Tower), provides for a verdict of guilty but mentally ill.

Currently, Minnesota has three types of verdicts--guilty, not guilty or not guilty by reason of insanity. Johnson said, "I would like a fourth standard where a person could be found mentally ill, but still guilty, and still have to serve prison time." Johnson said he brought the bill before the committee because a neighbor, Deputy Sheriff David Akerson, was shot, yet the perpetrator was found not guilty by reason of insanity. Johnson said that even though the offender committed the crime, he has the right to a hearing every six months and, if he is found competent, could be released. Akerson spoke in support of the bill and said, "I think if the offender is found competent, he should have to spend the rest of his sentence in prison."

Committee Chair Allan Spear (DFL-Mpls.) questioned whether offenders would actually spend more time in prison. "Since the bill doesn't replace the current verdict of not guilty by reason of insanity, it seems that if the bill becomes effective it will not cover the people who are under the current not guilty by reason of insanity verdict, but instead will cover the people who are now being found guilty and sent to jail." Sen. Linda Berglin (DFL-Mpls.) said, "I would expect that most people convicted under the not guilty by reason of insanity verdict are serving longer periods in an institution than those who go to prison."

According to Johnson, the measure specifies that a person who is found guilty but mentally ill may be sentenced to any sentence authorized under law. The bill also specifies that those who are found guilty but mentally ill must be provided

mental health services. Berglin questioned the fiscal impact of requiring the Dept. of Corrections to provide mental health services and said that members needed to have some idea of how many individuals would require services.

Assistant Dakota County Attorney Scott Hersey spoke about his concerns with the measure. He said the bill may have the opposite effect of what is intended. He said that a verdict of guilty but mentally ill could be grounds for a downward departure from the sentencing guidelines. In addition, Hersey said that the new verdict changes the burden of proof and requires the prosecution to prove a person mentally ill, rather than the defense proving mental illness in the sentence portion of a trial.

Committee members reached a consensus, that though the bill offered an interesting concept, more information was needed before taking action. Spear said that it might be possible to draft language requiring information about the implications of providing a new category of verdict for the Crime Prevention and Judiciary Budget Division to consider for inclusion in the omnibus supplemental budget bill.

In other action, the committee advanced four bills to the full Senate. S.F. 2587, authored by Sen. Randy Kelly (DFL-St. Paul), expands the scope of crimes committed for the benefit of a criminal gang to include crimes motivated by gang involvement. S.F. 2594, sponsored by Sen. Leo Foley (DFL-Anoka), provides a procedure for initiating a civil proceeding in juvenile court against a person who contributes to a child's delinquency, status as a juvenile petty offender or need for protection or services. S.F. 2926, authored by Sen. Ember Junge (DFL-New Hope), expands a peace officer's authority to make probable cause arrests for crosswalk violations. S.F. 2199, sponsored by Sen. Dave Johnson (DFL-Bloomington), requires professional bail bonding agents who perform bail bond enforcement services to be licensed as private detectives.

Members also discussed a bill, S.F. 2151, sponsored by Junge, authorizing the prosecution of violent juvenile offenses in adult court without a court ruling. Junge said that she did not plan on pursuing the bill further this session, so the committee took no action on it.

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Stays of adjudication bill heard

A bill prohibiting Courts from refusing to adjudicate a defendant's guilt provided the focal point of discussion at the Fri., Feb. 13, meeting of the Crime Prevention Committee. The committee, chaired by Sen. Allan Spear (DFL-Mpls.), also discussed and acted on several additional bills.

S.F. 537, authored by Sen. Ember Junge (DFL-New Hope), specifies that the Legislature has the exclusive authority to define crimes and offenses and the range of the sentences or punishments for their violation. Junge said the bill is a reaction to a Minnesota Supreme Court decision in *State v. Krotzer*. In the *Krotzer* decision, Junge said, the Court upheld a trial court's decision staying the adjudication of a defendant's guilt, even though the defendant had pled guilty. Junge said the bill goes to the issue of the separation of powers and that the Court disregarded the statutes in staying the adjudication.

Dakota County Attorney James Backstrom spoke in support of the measure and said that the bill is needed to "stem the Court's significant expansion of sentencing authority beyond statutory limits." Spear questioned whether Courts would follow the direction given by the bill. Backstrom argued that "The Courts are looking to the Legislature for direction because the Legislature has not directly addressed the issue of stays of adjudication. No one is here to attack the judiciary, but the powers of the judiciary are limited."

Sen. Linda Berglin (DFL-Mpls.) and Sen. Thomas Neuville (R-Northfield) both expressed concerns about cases in which all parties agree to the stay of adjudication. Berglin successfully offered an amendment to specify that except as provided in statute or upon agreement by all parties, a Court may not refuse to adjudicate the guilt of a defendant who tenders a guilty plea or has been found guilty by a Court or jury following a trial. Junge offered an amendment specifying that in statutory rape cases, the actor does not have to use the actor's authority to cause or induce the complainant to submit. The amendment was adopted and the bill was advanced to the full Senate.

In other action, members also approved a bill providing a gross misdemeanor penalty for persons who engage in the unlicensed practice of psychology. S.F.

1001, authored by Sen. Steven Kelley (DFL-Hopkins), also provides for immunity from civil liability and criminal prosecution for reporting, in good faith, violations or alleged violations of the Psychology Practice Act. The measure was approved and advanced to the full Senate.

S.F. 2095, sponsored by Sen. Jane Ranum (DFL-Mpls.), provides for the city of Minneapolis to collect and report information on crime, its prosecution and disposition. The measure further requires that, if practicable, the information reported must be stratified by neighborhood within the city. The measure was approved and referred to the Crime Prevention and Judiciary Budget Division. S.F. 2161, carried by Sen. Jane Krentz (DFL-May Township), increases the penalty for a drive-by shooting at an occupied motor vehicle. The measure was approved and sent to the Senate floor.

S.F. 2869, authored by Sen. Don Betzold (DFL-Fridley), specifies the requirements for petitions seeking judicial expungement of criminal records. The measure provides that in addition to other requirements, the petition must also include the petitioner's criminal charges record indicating all prior and pending criminal charges against the petitioner in this state or another jurisdiction, including all criminal charges that have been continued for dismissal or stayed for adjudication, or have been the subject of pretrial diversion. The bill was approved and advanced to the full Senate.

Two bills authored by Sen. Dave Johnson (DFL-Bloomington) were approved by the committee. S.F. 2695 clarifies prior crimes for enhanced gross misdemeanor theft crimes. The measure was recommended for the Consent Calendar. S.F. 2663 extends the scope of the harassment law to injury to reputation and extends the enhanced penalty for interfering with the criminal justice system to retaliatory action against peace officers. The bill was approved and sent to the full Senate.

S.F. 2963, carried by Sen. Randy Kelly (DFL-St. Paul), modifies procedures for school attendance review boards and authorizes direct referrals to the county attorney or other authority.

Community notification updated

Members of the Crime Prevention

Committee, chaired by Sen. Allan Spear (DFL-Mpls.), met Mon., Feb. 16, and advanced two bills to the Senate floor.

The first measure, S.F. 2586, authored by Sen. Randy Kelly (DFL-St. Paul) makes a number of changes in laws dealing with sex offender community notification. The measure expands the community-based sex offender program evaluation project to include any person required to register under the sex offender registration act; requires sex offender treatment facilities to provide information on sex offenders to the commissioner of corrections and makes changes to the duties of end-of-confinement review committees under the Community Notification Act. In addition, the measure changes the time line for law enforcement agencies to make a community notification by requiring the agency to make a good faith effort to notify the community within 14 days of receiving the offender's address from the Dept. of Corrections. Finally, the measure clarifies the duty of a probation officer to make reasonable efforts, on request, to notify a victim of an offender's release by requiring the officer to either contact the victim or to ensure another agency does so.

The second bill, S.F. 2595, authored by Sen. Leo Foley (DFL-Anoka), creates a felony penalty for criminal contempt involving the failure to obey subpoena issued in relation to a crime of violence. The measure also increases the penalty for offenders who fail to appear for criminal proceedings. Under the bill, both charges may be dismissed if the individuals voluntarily appear in court within 48 hours.

Both measures were approved and sent to the full Senate.

Crime Prevention and Judiciary Budget Division

BAC bills approved

The Crime Prevention and Judiciary Budget Division, chaired by Sen. Randy Kelly (DFL-St. Paul), approved a bill lowering the legal alcohol concentration while driving and hunting from 1.0 to 0.8, at a meeting Weds., Feb. 11.

Sen. John Marty (DFL-Roseville) and Sen. Leo Foley (DFL-Anoka) presented identical bills lowering the per se standard for a person's alcohol concentra-

tion from 0.10 to 0.08 in laws for driving and hunting while impaired. The bills also amend the chemical testing laws for driving and hunting, the criminal and vehicular homicide and injury laws, and the laws for driving or operating a vehicle or aircraft under the uniform code of military justice, to reflect the lower per se standard. Both Foley's bill, S.F. 2099, and Marty's bill, S.F. 77, were approved and sent to the Senate floor.

Sen. Don Betzold (DFL-Fridley) sponsored S.F. 2723, a bill increasing the fee that the registrar at Driver and Vehicle Services must charge when a person's plates are being reinstated following a DWI-related license plate impoundment from \$25 to \$50. The bill also increases the surcharge that must be paid by a person before the person's driver's license is reinstated following a DWI-related revocation from \$10 to \$40. The surcharge proceeds are statutorily required to be credited to the Remote Electronic Alcohol Monitoring Pilot Program. The bill was approved for inclusion in the omnibus bill.

Sen. Dave Johnson (DFL-Bloomington) sponsored S.F. 2259, a bill requiring the Bureau of Criminal Apprehension to collect and maintain computerized data relating to conditional release information of convicted offenders, for use by criminal justice agencies. There is a one-time fiscal note for \$50,000 in FY 99 to contract for design of the database. The bill was approved for inclusion in the crime prevention omnibus bill.

Sen. Randy Kelly (DFL-St. Paul) authored a bill requiring the commissioner of public safety to administer a grant program to provide grants to local law enforcement agencies to purchase automatic external defibrillators. Dennis Flaherty, executive director, Minnesota Police and Peace Officers Association, said that \$500,000 will provide 172 defibrillators in squad cars throughout the state. S.F. 2830 was approved for inclusion in the omnibus bill.

Budget requests heard

The Crime Prevention and Judiciary Budget Division, chaired by Sen. Randy Kelly (DFL-St. Paul), met Fri., Feb. 13, and continued reviewing bills for possible inclusion in the omnibus bill. Members discussed S.F. 2356, authored by Sen. Dave Johnson (DFL-Bloomington), enhancing the penalties for the manufac-

ture, sale and possession of methamphetamines; S.F. 2836, sponsored by Sen. David Ten Eyck (DFL-East Gull Lake), updating and clarifying the duties, operation and procedures of the Public Defender's Office; and S.F. 2095, carried by Sen. Jane Ranum (DFL-Mpls.), providing for the collection and reporting of criminal law enforcement data in the city of Minneapolis. No formal action was taken on the bills.

Omnibus bill okayed

The Crime Prevention and Judiciary Budget Division assembled the division's omnibus supplemental budget bill at an evening hearing Tues., Feb. 17. The measure, carried by Division Chair Randy Kelly (DFL-St. Paul), makes supplemental appropriations of \$7.466 million. However, Kelly said, the proposal also raises \$3.5 million in revenue so that the net effect is a supplemental appropriation of \$3.966 million.

The proposal contains numerous bills presented earlier to the division. The proposal appropriates a total of \$983,000 to the Supreme Court. Of that amount \$200,000 is for a community justice system collaboration team in the judicial branch, \$100,000 is for civil legal services to low-income clients, \$400,000 is for the establishment of community courts in the Second and Fourth Judicial Districts, \$100,000 is for the city of Minneapolis to be used for collecting and maintaining crime data information. Under the bill, the Court of Appeals receives \$264,000 and the District Court receives \$1.075 million. Both appropriations are primarily for law clerk salary equity adjustments and for seven additional law clerk positions in the District Courts.

The measure also appropriates \$2.933 million for corrections. Language in the proposal specifies that the commissioner may not open the Brainerd facility. Kelly said that the corrections part of the supplemental appropriations bill contains reductions of \$1.22 million due to a base cut in contract beds and the prohibition on opening the Brainerd facility. Of the corrections appropriations, \$745,000 is earmarked for Winona and Benton County probation costs and \$1 million is for increased grants to counties for probation officer workload reductions and to increase supervision of individuals sentenced to probation at the county level. The measure further provides that

the increased supervision may include innovative technology services, prevention and diversion programs, traditional services and intergovernmental cooperation agreements. The proposal also provides for a \$222,000 grant to Ramsey County for the development and operation of the Breaking the Cycle of Violence Pilot Project, \$50,000 is for grants to existing restorative justice programs; \$123,000 is for juvenile mentoring pilot programs; \$250,000 is for a grant to the Southwest and West Central Service Cooperative to operate the child guide prevention program; \$765,000 is to administer a remote electronic alcohol monitoring program and \$1 million is for the institution community work crew house construction program.

A total of \$1.569 million is appropriated for Dept. of Public Safety programs. Included in the appropriation are \$220,000 for Weed and Seed grants; \$500,000 for grants to local law enforcement agencies to purchase automatic external defibrillators; \$100,000 for grants to organizations providing intensive case management specific to the needs of prostituted individuals; \$50,000 for administering and maintaining a conditional release data base; \$100,000 for a study of the use of biometrics in law enforcement and \$50,000 for promotion of crosswalk safety.

The bill also increases fees for the reinstatement of motor vehicle registration plates after impoundment and increases the fee for the reinstatement of a drivers' license after a DWI. The measure also provides for a DWI surcharge. In addition, criminal fines are restructured under the bill. The restructuring of fines results in increased revenue of \$1.465 million.

The total proposal, Kelly said, is under the governor's recommendation by \$150,000. After Kelly walked members through the various provisions of the bill, members began the process of offering amendments. Sen. David Knutson (R-Burnsville) offered, on behalf of Sen. Dave Johnson (DFL-Bloomington), a bill increasing the charge for traffic fines in Hennepin County. The amendment, which was adopted, raises an additional \$1.5 million to be used for an automated citation system and revenue collections initiative. Sen. Don Betzold (DFL-Fridley) offered an amendment changing the terminology and membership

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requirements for the Supreme Court Working Group charged with studying the concept of a guilty but mentally ill verdict category. Under the amendment, the working group is altered to be a task force and the task force membership and duties are spelled out. The amendment was also adopted. Sen. Thomas Neuville (R-Northfield) offered, and the division adopted, an amendment requiring a report on public defender reimbursements. The bill was then approved and sent to the Human Resources Finance Committee.

Bonding bill okayed

The Crime Prevention and Judiciary Budget Division assembled their capital budget proposal at the Weds., Feb. 18, meeting. The bonding proposal totals \$20.66 million and includes funding for capital projects for the Dept. of Corrections and the Dept. of Public Safety. Division Chair Randy Kelly (DFL-St. Paul) said that the proposal arrives at the same total as the governor recommended but differs in the amounts appropriated for various projects.

Specifically, the measure appropriates \$4.646 million for inmate bed expansion at the Shakopee Womens Correctional Facility, \$1.206 million for the security fence at the Red Wing Correctional Facility, \$3.330 million of a segregated mental health unit at the Oak Park Heights Correctional Facility; \$1.5 million for an intake center at the St. Cloud Correctional Facility, \$3.5 million for asset preservation throughout the corrections system, \$4 million for design work and site acquisition for a new Bureau of Criminal Apprehension Building and \$2.478 million for law enforcement training facilities. The last item, for training facilities, must be allocated between requests by the North East Metro Law Enforcement Training Facility, the North West Metro Law Enforcement Training Facility, the South Metro Law Enforcement Training Facility and the Regional Emergency Response Training Facility in Southwest Minnesota.

Discussion centered on a request by both the Dept. of Corrections and the governor for \$344,000 to assist in the construction of an administrative segregation unit at the Lino Lakes Correctional Facility. Kelly said the item was not funded in the proposal because the department has a balance in the

budget that might be used to fund the project internally. Kelly also said that he hoped the budget forecast to be released next week might allow the division to provide additional funds for asset preservation and law enforcement training facilities.

The bill was advanced to the Human Resources Finance Committee.

Economic Development Budget Division

Projects reviewed

Members of the Economic Development Budget Division devoted the Mon., Feb. 16, meeting to hearing bills containing proposals for community development and housing assistance.

One of the key proposals for the year, the St. Paul River Centre convention, entertainment and sports complex, came in for particularly close scrutiny. Pam Wheelock, director, St. Paul planning and Economic Development, Dan Bostrom, St. Paul City Council president and Joe Reed, St. Paul finance director, answered division members' questions about the complex. Wheelock said the complex, home of the new Minnesota Wild hockey team, is also a venue for meetings, trade shows and special events. According to Wheelock, the River Centre complex is a result of partnership between the city, state and private industry. The team invested \$35 million, the city provided \$30 million and the proposal is for the state to provide \$65 million. Division Chair Tracy Beckman (DFL-Bricelyn) questioned how the city was able to commit state resources of \$65 million. Wheelock said that the city needed to act quickly in order to secure the team and that the city does have an interim finance plan if the state does not provide the needed \$65 million. The governor strongly supports the development of the complex in order to bring professional hockey back to the area and to provide an attractive venue for other events, Wheelock said.

Members also reviewed the Phalen Corridor project in St. Paul. A bonding request of \$10 million for the project is contained in S.F. 2607. The bill, sponsored by Sen. Randy Kelly (DFL-St. Paul), is to acquire roadway right-of-way in the Phalen corridor so that redevelopment may proceed.

Two proposals, sponsored by Sen. Paula Hanson (DFL-Ham Lake), were also discussed. S.F. 2480 authorizes an appropriation of \$185,000 from bond proceeds for exterior improvements to the Montevideo historic railroad depot. S.F. 2485 provides for a \$2.85 million grant from the general fund to the city of Montevideo for a downtown revitalization project following the 1997 flood. According to Hanson, the project requires a \$2 million commitment from nonstate sources.

The division also heard several bills dealing with homeless prevention and housing assistance. S.F. 2083, carried by Sen. Ellen Anderson (DFL-St. Paul), provides for a \$2 million appropriation to the housing development fund for the family homeless prevention and assistance program. S.F. 2597, also sponsored by Anderson, provides for a grant of \$90,000 to the Neighborhood Development Center, Inc. for expanding and improving neighborhood and ethnic-based entrepreneur training, lending and support programs in the poorest communities of Minneapolis and St. Paul.

S.F. 2703, authored by Beckman, provides for a \$2.5 million appropriation from the bond proceeds fund for the purpose of making transitional housing loans, including loans to local government units for housing homeless youths, homeless families and battered women. S.F. 2427, also sponsored by Beckman, appropriates \$3 million for the Housing Finance Agency's bridges program. The program provides rental housing assistance for persons with mental illness or families with an adult member with mental illness.

No formal action was taken on the proposals; all will be considered for inclusion in the division's omnibus bill.

Bonding requests heard

In a Tues., Feb. 17, meeting the Economic Development Budget Division heard 14 bonding requests for projects across the state. The committee is chaired by Sen. Tracy Beckman (DFL-Bricelyn).

S.F. 2260, authored by Sen. David Ten Eyck (DFL-East Gull Lake), authorizes \$2.5 million from the states bond proceeds fund to the Indian Affairs Council for construction of the Battle Point Cultural and Education Center. Ten Eyck said the Battle Point cultural

and education center building is 20,000 square feet and includes a large exhibit area to tell the story of the history and culture of Battle Point from the perspective of the Indian community.

S.F. 2018, sponsored by Sen. Roger D. Moe (DFL-Erskine), authorizes \$750,000 from the states bond proceeds fund to the city of Crookston for capital development of the Valley Technology Park. Moe said the park is a multi-tenant technology incubator that emphasizes commercial applications of advanced technologies. He added that the initial facility consists of 16,000 square feet of office, lab, and light manufacturing space to accommodate a variety of needs.

S.F. 2741, also authored by Moe, provides a disaster loan guarantee for the city of Ada. Moe said, under the bill, the state agrees to provide security for a promissory note. The loan is from the Federal Emergency Management Agency (FEMA) through its disaster loan program. Moe said Ada lost a hospital, clinic, and nursing home as a result of last year's spring flooding and the \$1.2 million loan allows the city to reopen the facilities. The bill was recommended to pass and referred to the Jobs, Energy and Community Development Committee.

S.F. 2039, authored by Sen. Dennis Frederickson (R-New Ulm) authorizes \$500,000 from the bond proceeds fund to the city of New Ulm for restoration, enhancement, and protection of the Herman Monument. Frederickson said the city has maintained the monument for more than 100 years. He said that the monument has great historical significance to people of German descent in the state and country.

S.F. 2808, carried by Sen. Ellen Anderson (DFL-St. Paul), directs the commissioner of administration to establish a Minnesota healthy homes pilot project to provide training and technical assistance to building code officials, developers, and contractors in addressing the problem of defective homes. Anderson said, under the bill, a model program must be developed for education and training to be used state wide. She added that the program must include four demonstration sites (Two urban, one suburban, and one in Greater Minnesota) and must work with the building code officials from municipalities, low income housing developers, and selected building contractors. Anderson

added that the request for state funds is \$150,000.

S.F. 2757, authored by Beckman, authorizes \$1.5 million from the states bond proceeds fund to the city of Lake Crystal to design, construct, furnish, and equip the Lake Crystal Area Recreation Center. Beckman said the 38,000 square foot center will include a gymnasium, pool, and locker room facilities. He added that the total cost of the project is \$3.5 million.

S.F. 2158, carried by Sen. Dallas Sams (DFL-Staples) appropriates \$3 million from the states bond proceeds fund to the city of Detroit Lakes to design, construct, furnish, and equip the Detroit Lakes Community Center. Sams said the \$6.75 million facility will serve Becker County residents and create an environment where children and families can be together to participate in activities and programs.

S.F. 3223, authored by Beckman appropriates \$126,000 from the general fund to the commissioner of economic security for a grant to Advocating Change Together, Inc. Beckman said the grant must be used for the training and empowerment of individuals with developmental and other mental health disabilities, the maintenance of related data, or technical assistance for workforce advancement and training. He said the appropriation is available until June 30, 1999.

S.F. 2952, sponsored Sen. Edward Oliver (R-Deeplaven), appropriates \$1.5 million from the states bond proceeds fund to Independent School District Number 12, in Chaska, as a fiscal agent for the Eastern Carver Community Collaborative Project. Oliver said the money aides in the long range infrastructure needs of East Carver County and focuses on the need for a new elementary school to meet growing enrollment demands and the need for new library and recreation facilities in the area.

S.F. 2270, carried by Ten Eyck, authorizes \$500,000 from the states bond proceeds fund to the city of Bemidji for the Headwaters Science Center. Ten Eyck said the money is used for the design of a center that will be owned by the city of Bemidji, which will provide land for the project.

S.F. 2162, sponsored by Sen. Linda Higgins (DFL-Mpls.), authorizes \$470,000 from the bond proceeds fund to

Hennepin County for the purchase, remodeling, and accessibility upgrades to an existing building for use by the People Incorporated North Side Community Support Program.

S.F. 2126, also authored by Higgins, authorizes \$24 million from the bond proceeds fund to the commissioner of trade and economic development for a grant to Hennepin County as the state contribution for the Humboldt Avenue Greenway project. Higgins said the purpose of the grant is to acquire land for green space and infrastructure improvements in the vicinity of Humboldt Avenue North. The project includes reclamation of wetland amenities for public use and construction of a parkway.

S.F. 2342, authored by Sen. Steve Kelley (DFL-Hopkins), authorizes grants and loans for public safety radio equipment. Kelley said under the bill, \$3.7 million is used for the purchase of a second backup controller for the region wide public safety radio system. The remaining \$7.5 million is for grants to purchase equipment of a capital nature necessary to enable the recipient to join the region wide public safety radio communication system. Kelley added that the money is to be appropriated from the bond proceeds fund.

Development bills discussed

Members of the Economic Development Budget Division met Weds., Feb. 18, to continue hearing bills slated for possible inclusion in the division's omnibus supplemental budget bill.

The division, chaired by Sen. Tracy Beckman (DFL-Bricelyn), discussed a total of 17 measures, but took no formal action.

S.F. 2071, authored by Sen. Roger Moe (DFL-Erskine), provides for a grant to the Red Lake Tribal Council to construct an educational and training facility on the Red Lake Reservation. The bill provides for \$2.6 million to be appropriated from the general fund and specifies that the building provide a site for Northwest Technical college to offer basic skills and vocational training to adults. S.F. 2722, carried by Sen. Dick Day (R-Owatonna), appropriates \$2.1 million from the bond proceeds fund to the city of Owatonna for the Heritage Halls Museum project. S.F. 2367, carried by Sen. Jerry Janezich (DFL-Chisholm), appropriates money for the taconite mining grant program. S.F.

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2953, also sponsored by Janezich, appropriates \$60 million from the bond proceeds fund for construction of three direct reduction iron processing facilities.

S.F. 2636, authored by Sen. Linda Berglin (DFL-Mpls.), provides for \$1.5 million to be appropriated for a grant to the Green Institute, Inc., to develop a project in the Phillips Neighborhood to create up to 200 jobs in businesses, many of which specialize in energy conservation, environmental technology, recycling and related fields. Berglin said the proposal also specifies that one-half of the jobs created must be targeted for persons on public assistance or below the federal poverty level.

S.F. 2363, carried by Beckman, provides for \$80,000 to assist in funding the 50th annual conference of the Interstate Indian Council to be held in Minnesota in 1999. S.F. 2295, sponsored by Sen. Dave Ten Eyck (DFL-East Gull Lake), appropriates \$690,000 to the Minnesota Historical Society for a grant to the city of Bemidji for a historic railroad depot. The measure specifies that the depot be converted to a historical museum and facility. S.F. 2260, also authored by Ten Eyck, authorizes \$2.5 million from the bond proceeds fund to the Indian Affairs Council for construction of the Battle Point Cultural and Education Center. S.F. 2409, sponsored by Sen. Steven Novak (DFL-New Brighton), creates a fund for local development and authorizes appropriations for the fund. The bill spells out the criteria for projects and requires that be made for sites that provide the highest return in public benefits for the public costs incurred.

Beckman also carried a bill, S.F. 3262, appropriating \$250,000 for a pilot project to electronically link four Dept. of Economic Security Workforce Centers with four secondary schools for the purpose of providing students and counselors with labor market information and job-seeking skills expertise. S.F. 533, carried by Sen. Steve Kelley (DFL-Hopkins) enacts the Uniform Unclaimed Property Act of 1995. S.F. 2517, authored by Sen. Steve Dille (R-Dassel), appropriates \$2.93 million from the bond proceeds fund for the city of Waverly to acquire, renovate, furnish and equip the existing village hall as the site for the Hubert H. Humphrey Museum and Learning Center. Dille said that the

funding is needed because a fire last year destroyed the existing Hubert H. Humphrey Museum.

S.F. 3182, sponsored by Beckman, appropriates money from the general fund for grants to organizations for programs that encourage and assist women to enter nontraditional careers in the trades and manual and technical occupations. S.F. 2390, authored by Sen. Lawrence Pogemiller (DFL-Mpls.), appropriates \$9.945 million from the bond proceeds fund to the Minnesota Historical Society for the design and construction of the St. Anthony Falls Heritage Education Center. S.F. 2094, authored by Berglin, establishes an individual development account demonstration project to provide incentives for low-income families to accrue assets for education, housing and economic development purposes.

S.F. 3191, sponsored by Novak, appropriates \$1.5 million for the continuation of efforts to provide extended employment training for welfare recipients through the welfare-to-work extended employment partnership program. S.F. 2585, carried by Sen. Randy Kelly (DFL-St. Paul), appropriates \$12.7 million for renovation and upgrades to the East Building of the Science Museum for use for the Minnesota Labor Interpretive Center. S.F. 2661, authored by Sen. Jane Ranum (DFL-Mpls.), authorizes the issuance of state bonds for hazardous material abatement and renovation for the Fort Snelling International Hostel.

Education Finance

Supplemental bills advance

Supplemental bills for higher education, and family and early childhood education, were approved by the Education Finance Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), at a meeting Mon., Feb. 16.

Sen. LeRoy Stumpf (DFL-Thief River Falls) presented the supplemental budget bill of the Higher Education Budget Division. The bill appropriates \$63.5 million from the general fund in FY 99 for higher education. The Minnesota State Colleges and Universities (MnSCU) receive \$31.5 million, and the University of Minnesota receives \$32 million. The bill includes a financial aid provision reducing student responsibility, for the state grant program, from 50 percent to 47 percent of the cost of

attending a postsecondary institution of the student's choosing. The bill was approved and sent to the Senate floor.

Sen. Pat Piper (DFL-Austin) sponsored the supplemental budget bill of the Family and Early Childhood Education Budget Division. S.F. 2532 appropriates \$15 million for the general fund and \$5 million from the Temporary Assistance to Needy Families (TANF) Reserve for programs such as early Head Start, basic sliding-fee child care assistance, emergency services, transitional housing, and child care data management. The bill was approved and sent to the Senate floor.

Election Laws

Elected Met Council bill gains

A bill converting the Metropolitan Council from an appointed body to an elected body was approved at the Weds., Feb. 18, meeting of the Election Laws Committee. A similar bill passed the Legislature last year, but was vetoed by the governor.

The bill, S.F. 2670, carried by Sen. Carol Flynn (DFL-Mpls.), began the hearing significantly different than when the meeting ended. In opening her presentation, Flynn said that the bill was an attempt to combine the offices of county commissioner and Met Council member. Under her bill, a person serves concurrently in both offices and the council expands from 16 members to 25. The bill also contained provisions to ensure that all council districts throughout the Metro Area have equal populations and all board districts within a county have equal populations regardless of each county's population. Flynn said that under the plan, county commissioner elections would stir debate on regional issues such as urban sprawl and transportation. Flynn then offered an amendment to make her bill similar to the bill approved by the committee last year. She asked members for a reaction to each proposal.

While some panel members said they found the initial plan "intriguing," most thought it was too complicated and raised too many technical election issues. Flynn's amendment restoring the council to its current 16 member size was adopted.

Turning the discussion to the elected versus appointed question, Sen. Linda

Scheid (DFL-Brooklyn Park) said that the council has levy authority, and that is the most compelling reason for the council to be elected. Committee Chair John Marty (DFL-Roseville) said that currently, developers make up half the council membership while they only account for .02 percent of the Metro Area population. He said an elected Met council would make developer representation more fair.

Sen. Mark Ourada (R-Buffalo) said that he was concerned elected council members would be more parochial and less concerned with regional issues. Flynn said that when she was a member of the council, parochialism was evident despite the fact that members were appointed. She said that she sometimes voted according to the interests of her district, but other council members focused on regional interests and out-voted her.

Flynn said that unlike the bill endorsed last year, her plan does not provide public financing of council seat elections, and the first elections will be held in 2000 rather than 1998. The bill now goes to the Senate floor.

Earlier, the panel approved S.F. 2175, sponsored by Sen. Ember Junge (DFL-New Hope). Junge said that the bill requires an election candidate to obtain written permission from an organization before claiming the organization's endorsement. She successfully offered an amendment requiring any candidate found in violation of fair campaign practices to return all or part of the public campaign subsidy. The bill now advances to the Senate floor.

Environment and Natural Resources

MERLA revision debated

The Superfund program "is going to become the litigate first and clean up later program" as a result of two recent court cases, Alan Williams told the Environment and Natural Resources Committee, Fri., Feb. 13.

Referring to two recent court cases affecting the program, Williams, with the Office of Attorney General, said that the law underlying the program had been working well until the cases were decided.

The bill, authored by Sen. Steven

Morse (DFL-Dakota), S.F. 2296, clarifies the time for filing an action under the Minnesota Environmental Response and Liability Act (MERLA). The bill also clarifies the liability of contractors performing certain response and development actions under MERLA.

Morse said that if no action is taken, the financial loss to the state could be in the tens or hundreds of millions.

Richard Sandberg, with the PCA, said 137 Superfund sites have been identified and prioritized by need, and another 70 or so sites not on the list also need to be cleaned up. He said the state may not be able to pursue the responsible parties for 123 of the 137 sites, or any of the 70 or so sites, if the law remains as presently interpreted by the courts.

Speaking against the bill, Mike Abrams of Minnetonka said that the court found the Pollution Control Agency (PCA) to be "capricious and arbitrary, which is legal language for wasteful." The court order shows the agency is out of control, he said. Instead of conforming to the law, said Abrams, the agency is now trying to change it.

Committee Chair Bob Lessard (DFL-Int'l. Falls) said that he wasn't opposed to the bill, but did see problems with it. "In many cases, whatever dumping took place years ago was done legally," he said. Sen. LeRoy Stumpf (DFL-Thief River Falls) concurred, noting that the bill seemed to be a premature move.

Lessard moved to lay the bill over, so that it could be studied over the interim. Morse requested a roll call vote for the motion, noting again the expenses possibly incurred by the state if the bill was laid over. The motion failed, and the bill was approved and referred to the full Senate.

Before adjourning, the committee approved four other bills, including two land-sale bills, the omnibus fish and wildlife bill, and a bill authorizing certain qualified landfills to accept dump materials. All of the bills were recommended for approval and sent to floor.

S.F. 3085, authored by Sen. Jerry Jenezich (DFL-Chisholm), allows the sale of one of the lake rental cabins owned by the DNR. An exception to the bill removed from consideration the previous week, which would have instructed the DNR to sell the entire stock of lake cabins it owns, this bill allows one lot in St. Louis County to be sold.

S.F. 3063, authored by Sen. Pat Piper (DFL-Austin), authorizes the sale of tax-forfeited land on the Cedar River in Mower County.

S.F. 3016, authored by Sen. Douglas Johnson (DFL-Tower), authorizes the acceptance of dump materials at certain qualified landfills. "This bill is a win-win for the closed landfill cleanup program," said Cathy Berg Moeger, speaking for the PCA.

Johnson said the impetus for the bill comes from development the city of Tower wants on a specific property. Currently, any materials moved under the current law must go to the St. Louis County landfill. The bill allows certain screened dump materials to be permitted instead into filled closed landfills. Moeger said the bill helps to alleviate the state's purchase of materials to fill a settled landfill, or bring landfill slopes up to grade.

A number of amendments were made to the omnibus fish and wildlife bill, S.F. 2712. The bill, authored by Sen. Dennis Frederickson (R-New Ulm) makes various changes to laws relating to fish and wildlife. Amendments regarding moose hunting guide licensure, the taking of white bear, spearfishing while trolling, and the study of possible lifetime hunting licensure were all added. An amendment offered by Sen. Charles Berg (IND-Chokio), to permit the hunting of certain big game on licensed preserves, failed.

Firefighter bill okayed

The Environment and Natural Resources Committee discussed three bills Weds., Feb. 18.

S.F. 2746, presented by Committee Chair Bob Lessard (DFL-Int'l. Falls), requires the DNR to maintain a trained force of firefighters, and classifies firefighters as public employees. DNR employee Bob Tomlinson said that the DNR and many rural fire departments have been having increasing difficulty maintaining a stable of firefighters. He said there is also an increasing demand for prescribed burning, which further increases the demand for personnel.

Mike Stockstead, of the Minnesota Professional Firefighters Association, told the committee that the bill doesn't limit or interfere with the state's firefighting ability. All the bill does, he said, is allow the firefighters the right to organize and

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be represented. "Significant turnover is a concern for this industry," said Stockstead.

The bill was recommended to pass and referred to the Environment and Agriculture Budget Division.

The two other bills heard in the short meeting were both recommended to pass and sent to the full Senate.

S.F. 2268, authored by Sen. Jim Vickerman (DFL-Tracy), changes the bonding of subagents wishing to sell hunting licenses. Representatives of a small hardware store and the Minnesota Dakota Retail Hardware Dealers Association spoke for the bill, stating that current regulations minimize their profits on selling licenses.

S.F. 2269, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), clarifies provisions relating to hearings of the Minnesota Board of Water and Soil Resources (BWSR). The bill modifies the public review period for wetland replacement plans, and requires approval of certain wetland replacements. The bill was amended to require BWSR to draft a report on the problems and benefits of consolidating public waters wetlands laws with the Wetlands Conservation Act. BWSR is required to submit the report to the Legislature's environment and natural resources committees.

Environment and Agriculture Budget Division

WIF bills heard

A bill modifying provisions of flood review protection plans was heard by the Environment and Agriculture Budget Division Thurs., Feb. 12. S.F. 2711, authored by Sen. Dennis Frederickson (R-New Ulm), also increases the limit on flood hazard mitigation grants and modifies the water use permit processing fee provisions.

No action was taken on the bill, or any of the other bills heard by the division. Morse said the bills would all be considered for inclusion in the division's final budget recommendations. The balance of the meeting was spent hearing bills regulating wastewater infrastructure funding (WIF). S.F. 2519, authored by Sen. Steven Morse (DFL-Dakota), modifies the wastewater infrastructure funding and approval provisions, and appropriates \$50 million of bond pro-

ceeds to the Public Facilities Authority to fund wastewater infrastructure projects. Morse said the objective of the bill is to ensure that grant monies are used to "take care of what we have, not subsidize new growth." Representatives from the Public Facilities Authority, the Pollution Control Agency, and the Coalition of Greater Minnesota Cities all spoke on the effects of the proposed changes.

The three other WIF bills discussed appropriate money for WIF projects in specific locations of Minnesota. S.F. 2538, authored by Sen. Dean Johnson (R-Willmar), authorizes state bond appropriations for the city of Pennock. S.F. 2710, authored by Sen. Pat Piper (DFL-Austin) authorizes state bond appropriations for the second phase of the domestic wastewater treatment plant in Austin. S.F. 2412, authored by Sen. Douglas Johnson (DFL-Tower), authorizes general fund appropriations for certain eligible North Shore municipalities.

Bills on flood control, Johnes disease, critical habitat licensing, personal watercraft, and the Laurentian environmental learning center were also heard.

S.F. 2073, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), appropriates \$3 million in general fund monies to the DNR to award grants to private landowners for the construction of ring dikes within the 1997 flood damage area. Stumpf said that ring dikes work well in the area because of the flat topography. He provided data showing the DNR received 258 requests for ring-dike assistance in the Red River Valley in 1997, and only 62 of the requests were funded. The money requested is the state's 50 percent cost-share for the completion of the unfunded requests. The remainder of the cost would be split among the Red River Watershed Board, local watershed districts, and private landowners.

A bill, authored by Morse, gives additional general fund appropriations to the Board of Animal Health. S.F. 2908 gives \$30,000 in FY 98 and \$160,000 in FY 99 to expand the program for the control of paratuberculosis (Johnes disease) in domestic bovine herds.

Morse also authored S.F. 2750, which affects the Reinvest in Minnesota conservation program license plates. The bill requires that any monies credited to the critical habitat private sector match-

ing account, for the purchase of the special license plates, are to be matched by public appropriations.

Sen. Janet Johnson (DFL-North Branch) authored a bill relating to personal watercraft. S.F. 374 modifies the provisions relating to watercraft usage and requires possession of insurance to obtain a personal watercraft license.

S.F. 2479, authored by Sen. Steven Novak (DFL-New Brighton), authorizes \$1.4 million of state bonding to renovate the Laurentian Environmental Learning Center in Superior National Forest.

Funding bills heard

Seven bills requesting appropriations for various projects were heard in the Environment and Agriculture Budget Division Fri., Feb. 13. The division, chaired by Sen. Steven Morse (DFL-Dakota), took no formal action on the bills, but may include the appropriations in their budget bills.

Sen. Tracy Beckman (DFL-Bricelyn) presented S.F. 2341, a follow-up to a bill he sponsored last year. Beckman said that the bill expands the grant program established last year from livestock and dairy co-operatives to agricultural commodity co-operatives, and appropriates an additional \$200,000. Even though some of last year's appropriation is still available, Beckman said, that money was pledged as the state match for U.S. Dept. of Agriculture funds and the new appropriation is needed to expand the program to other co-operatives.

A request for \$70,000 was presented by Sen. Jim Vickerman (DFL-Tracy) in the form of S.F. 2754. John Baerg, a Watonwan County commissioner, said the appropriation is for a coordinator to do planning work on the Watonwan River flood abatement project. Sen. Jane Krentz (DFL-May Township) spoke for S.F. 2977. Krentz said the bill appropriates \$10,000 dollars for an engineering study to determine why the water level of North Twin Lake has risen in recent years and what can be done about it. Krentz said much of the surrounding land is public or non-profit, so the engineering study costs cannot be raised through a levy. Money to restore recreational facilities in Richfield is requested in S.F. 2796, sponsored by Sen. Dave Johnson (DFL-Bloomington). Johnson said that existing softball fields in Richfield were being displaced with expansion of the

north/south runway at the Mpls.-St. Paul airport. He said that the ball fields in another location can be reconfigured, but the city needs \$6 million to do it. Sen. Charles Berg (IND-Chokio) suggested that Northwest Airlines be solicited for some of the cost. Johnson replied that Northwest is not the only airline that will use the new runway and attempts to get money from the Metropolitan Airports Commission have been unsuccessful. Johnson said the ballfields are used for Little League games and added "Kids shouldn't have to bear the cost of airport expansion."

The division also heard three requests for projects in St. Paul. A bill sponsored by Morse, S.F. 2714, increases the production goals and producer payments of the ethanol production program. Morse said the expansion allows the St. Paul Brewery to join the program to save 150 jobs. Sen. Ellen Anderson (DFL-St. Paul) presented S.F. 2564, a request for \$14 million for an education resource center at Como Park. Anderson said that Como Park is the smallest yet most frequently visited regional park in the Metro Area. Morse said that day-use environmental learning centers (ELC) are not a state priority because they tend to serve a local market. Anderson replied that over half the state's population lives within field trip distance of Como Park, and it is the only ELC in the Metro Area. The panel also heard S.F. 2603, sponsored by Sen. Sandra Pappas (DFL-St. Paul). Pappas said the bill appropriates \$3 million in bond proceeds to develop Harriet Island. Pappas said the money will accelerate the development work so it will be completed by May 2000, the 100th anniversary of the donation of the island to the city.

Feedlots bill discussed

No action was taken on any of the three bills heard by the Environment and Agriculture Budget Division Mon., Feb. 16.

The omnibus agriculture bill, S.F. 2776, was heard by the division, chaired by Sen. Steven Morse (DFL-Dakota). Authored by Sen. Dallas Sams (DFL-Staples), the bill affects a number of policy and appropriations areas. The bill makes a number of changes to feedlot regulation, including manure testing laboratory certification, the value-added agricultural product loan program, and

manure storage plan approval. The bill also establishes a small feedlot upgrade cost-share program for feedlots, changes feedlot environmental reviews, and directs the Dept. of Agriculture to conduct a study assessing the need for a program for manure applicator training and certification.

The bill appropriates \$62.9 million from the general fund for various agencies, changes rural dispute resolution procedures, and changes animal care and disposal requirements. The bill also appropriates \$4 million for the Dept. of Agriculture to create a Turf and Grounds Research and Educational Center in Rosemount. Representatives from the Dept. of Agriculture, the Pollution Control Agency, and the Office of Attorney General spoke on various provisions of the bill.

Sen. Tracy Beckman (DFL-Bricelyn) presented S.F. 2704, a bill authorizing the issue of \$1.6 million in state bonds for improvements to the FarmAmerica Visitors Center in Waseca County. The center "is almost like a huge laboratory," said Beckman. He said that many children growing up in agriculture don't have an idea of what agriculture was like 50 or 60 years ago and that there is only one other agricultural interpretive center in the state. Beckman said the funding would be used for classrooms, display areas, and meeting rooms for the center.

Sen. Becky Lourey (DFL-Kerrick) presented S.F. 3065, a bill establishing the Minnesota Grown community food pilot program. The pilot program expands the concept of the Minnesota grown program to assist low-income families to access nutritious and affordable food. The pilot program, to be administered by the Sustainable Resources Center, also promotes economic development by creating new markets and distribution systems. Representatives from the Minnesota Food Association, the Food First Coalition, the Sustainable Resource Center, and the Minnesota Grocers Association all testified for the bill.

Fish contamination bills heard

Two bills requesting funds to study pollution in fish, and a bill appropriating money for the Minnesota Forest Resources Council were heard at the Tues., Feb. 17, meeting of the Environment and Agriculture Budget Division. Sen. Steven Morse (DFL-Dakota), chair of the

division, also provided an opportunity for the public to testify on those and other matters before the panel.

In presenting the two fish pollution bills, S.F. 2214 and S.F. 1810, Sen. Sam Solon (DFL-Duluth), sponsor of both measures, was joined by Dr. Gary Glass and Dr. George Rapp, both of the University of Minnesota-Duluth. Glass said that the level of mercury contamination found in fish has led to the posting of fish consumption advisories. The fish consumption restrictions "are not good news," Glass said, and added that the objective of the studies is to "get rid of the advisories." Specifically, he said, the aim of S.F. 2214 is to study the effect of the micronutrient selenium in modulating mercury levels. Previous studies have resulted in the development of a large database, Glass said. He said that the appropriation is to study the selenium issue and incorporate that data into the previous study results. Once that is done, researchers can better understand the problem and work toward a solution, Glass said.

Sen. Bob Lessard (DFL-Int'l. Falls) questioned some assumptions of the research team, saying that the mercury is coming from the ground and lake bottoms. Rapp said that 15 years ago scientists thought that, but subsequent research revealed that the mercury came from the sky, specifically emissions from coal-burning power plants.

The other bill, S.F. 1810, Glass said, is to study fish health in six Minnesota river basins. The bill appropriates \$400,000 over the next two years to study toxic substances in fish in previously unstudied rivers. Rapp said the study can wait for funding from the Legislative Commission on Minnesota Resources, but that is not available for another year and a half. Rapp said that without an appropriation this year, researchers involved in the previous studies would move on to other jobs. "Sounds to me like this is a full employment bill for your researchers," said Sen. Charles Berg (IND-Chokio). Rapp agreed that the appropriation would keep the scientists employed, but he said that if the currently involved people are lost, the time needed to train new researchers "would be a disaster."

The division also heard a bill sponsored by Lessard, S.F. 3129, that appropriates \$200,000 for the Minnesota Forest Resources Council (MFRC). Mike

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Kilgore, executive director of the council, said the money is needed to speed up the work of the council. Kilgore said the council will use the money to gather information, and do outreach work to disseminate their findings and monitor implementation of their guidelines. Lessard said that he knows of no environmental groups opposed to the work of the council.

Afterward, the committee received public testimony on items being considered for inclusion in the supplemental budget bill. Leslie Davis, of the environmental action group Earth Protector, spoke against the MFRC. Davis said the council is stacked with logging industry representatives and suggested that the council needed more conservation minded members and representation of Native Americans. Davis also requested that division members intervene in the ongoing logging conflict in Northern Minnesota by meeting with all involved parties to decide the direction of forest management in the state. Davis said that fear is prevalent in many logging communities because of possible job losses and that money needs to be appropriated for retraining programs.

Judy Erickson of the Minnesota Parks and Trails Council also spoke about the need for ongoing funding through the Dept. of Natural Resources to operate the new Thomas C. Savage Visitor's Center at Ft. Snelling State Park. No formal action was taken on any of the budget requests.

Milk handling, trail bills heard

The Environment and Agriculture Budget Division met Weds., Feb. 18 to discuss a number of bills. Bill topics included milk taxes, snowmobile trail grants-in-aid for trails within Voyageurs National Park, whitewater trail creation for the Mississippi, mileage reimbursement for Soil and Water Conservation District supervisors, antifreeze disposal, and hunter and trapper harassment prevention.

S.F. 2448, authored by Sen. Becky Lourey (DFL-Kerrick), received the most debate. The bill provides for the collection of a milk handling assessment fee, and the distribution of the proceeds. The bill appropriates \$17.15 million from the general fund to the Dept. of Agriculture, for payments to dairy producers and for program administration costs.

Sen. Charles Berg (IND-Chokio)

expressed concern over the paperwork necessary to comply with the bill. He said that keeping track of whether milk is sold to the various exempted organizations seems like busywork.

Both Berg and Sen. Steve Dille (R-Dassel) said that amounts of money generated for distribution seemed hardly worth the trouble.

Wy Spano, representing the Minnesota Dairy Federation, discussed the motive underlying the bill. "Why do we need the assessment?" he asked. "If farmers need money, why don't we just give it to them?"

Lourey said the bill is an attempt to alleviate the fact that the price of milk will often fluctuate for farmers, while the price stays the same in stores.

The bill was laid over.

A bill regulating antifreeze disposal, S.F. 2739, was referred to the Environment and Natural Resources Committee after being amended. Authored by Berg, the bill modifies the prohibitions on disposal of motor vehicle antifreeze. The bill was amended to delete provisions relating to a PCA appropriation for antifreeze recycling promotion and to change the monthly discharge limit in certain cases from 50 to 90 gallons per month.

S.F. 1375, authored by Sen. Tracy Beckman (DFL-Bricelyn), modifies provisions prohibiting hunter, trapper, and angler harassment. The bill was amended so that people selling licenses who had less than \$50,000 in license sales the previous year may charge an additional 50 cent issuing fee. The previous limit was \$100,000 in sales. The age restrictions within the bill were also removed before the bill was recommended to be included in the division omnibus bill.

A number of other bills heard by the division were laid over.

Sen. Lawrence Pogemiller (DFL-Mpls.) authored S.F. 3258, a bill creating an urban whitewater trail along the Mississippi River. Under the bill, the trail is located close to downtown Minneapolis, and may be used by whitewater rafters, canoers, and kayakers.

S.F. 2215, authored by Sen. Douglas Johnson (DFL-Tower), modifies provisions of the snowmobile grants-in-aid program. The bill includes the maintenance of Voyageurs National Park snowmobile trails within the program. Dennis Asmussen of the DNR said the department supports the bill.

S.F. 2934, authored by Sen. Dallas

Sams (DFL-Staples) allows soil and water conservation districts to reimburse supervisors at a mileage rate determined by the district.

Jack Lee, Minnesota Brewing Co. president, then discussed the proposal to convert part of the Minnesota Brewing facility to ethanol production. He told the division that ethanol production would save the facility, currently operating at 20 percent of capacity.

Family and Early Childhood Education Budget Division

Department reports heard

Chair Sen. Pat Piper (DFL-Austin) opened the Family and Early Childhood Education Budget Division to presentations and department reports, Tues., Feb. 17.

"Guard Our Youth" director, Chief Warrant Officer Gary Bloedel, and Robyn Nelson, youth coordinator, gave an overview of the new pilot project's goals and programs. Bloedel said the 2-year project received \$400,000 in funding per year from the Legislature last year. He said the program, now in its fourth month of implementation, is designed to keep at risk youth occupied after school with appealing activities held inside National Guard facilities. The 16 locations throughout the state offer skateboarding, basketball, youth boxing, a Head Start carnival, Junior Reserve Officer Training Corps practice, and open gym, among other things, said Nelson.

Mark Kaszynski, Dept. of Children, Families, and Learning (CFL), presented the department's report to the Legislature, "Collaborations, Linkages, and Educational Goals." Kaszynski said the department has a mandate to develop methods to collaborate with stakeholders, encourage family literacy, implement measures to link services with statewide programs that support families and early childhood development, and ensure that education is a primary program goal. He said the department would carry out the intent of the Legislature by focusing on improvements in customer-service, building cross-agency staff knowledge and information-sharing, and linking computer systems.

Barry Shaffer, supervisor, CFL, provided testimony on the Citizen Promotion Program. He said the purpose of the program is to assist legal immigrants in applying for US citizenship through

English as a second language programs and citizenship instruction, public education and information programs. He said 45 percent of the 1,700 total participants to date are of Asian descent. The program has a \$1 million appropriation for the biennium. Three program grants are statewide, 10 are in Greater Minnesota, and 16 are in the Metropolitan Area.

Finally, Kaszynski and Alice Murphy, energy assistance coordinator, CFL, presented the "Low Income Home Energy Assistance Program Funding" report to the committee. Murphy said the Energy Assistance Program (EAP) provides funds to local nonprofit and government organizations to help households, with incomes up to 150 percent of the federal poverty level, manage home heating costs. The program pays a portion of heating costs, provides crisis payments, and assists with energy conservation and emergency furnace repair. In FY 1997, the EAP served approximately 89,000 households with primary heat grants averaging \$462.

CFL reports heard

The Family and early Childhood Education Budget Division, chaired by Sen. Pat Piper (DFL-Austin), heard reports from the Depts. of Children, Families, and Learning (CFL), Commerce, and the Minnesota Institute for Early Childhood Professional Development, Wed., Feb. 18. Piper welcomed a visiting delegation of young adults from a high school in Duluth who are creating a mock Legislature as a class assignment.

Representatives from child care organizations around the state gathered to prepare a report, "Recommendations on Child Care Practitioner Licensing," in response to a Legislative mandate last year. Dr. Anita Segador Beaton, Minnesota Institute for Early Childhood Professional Development, said the report's key findings were the need to credential day care providers and to formulate a clear path to career advancement.

Katie Williams, director, YWCA Children's Center, said the report outlined a "credentialing lattice" that allows for traditional higher education certificate programs, informal training and mentoring, and formal recognition of skills, life and work experience. Dr. Helen Carlson, Dept. of Education, University of Minnesota Duluth, said the

task force recommends the creation of a licensing board to provide consistent standards and clearly defined core skills and competencies for day care providers. Donna Forester, family child care provider and organizer, said the greatest obstacle to credentialing for family day care providers is overwork and lack of time.

Tonya Orr, Minnesota Housing Finance Agency, presented a report of the Advisory Task Force on Lead Hazard Reduction mandated by the Legislature last year. The report contains 20 recommendations to aid landlords and inspectors to comply with and enforce lead hazard abatement statutes. Orr said the toxic effects on young children, such as developmental and behavioral problems, were well-documented. She said the program is under-funded and would run out of appropriations in two months. Piper said she had put forward a lead abatement bill to fund swab team cleaning of over 150 houses. She also said she is discussing the possible use of the National Guard in these efforts.

Barb Yates, assistant commissioner, Karen Carlson, and Barry Shaffer, CFL, presented the department's two mandated reports to the Legislature on administration and accounting costs. Yates said the department spent a total of over 1,400 hours preparing the reports. She said compiling the work was harder than the staff anticipated and demonstrated how complex and varied are the programs. Carlson said the most valuable lesson in compiling the information on administration and accounting costs was the need to create a uniform grants application process. Shaffer said the department compiled a definitive list of what it included in administrative costs. He said the bulk of administrative costs goes to preparing legislative and federal reports. Shaffer said the department's primary goal for the future is to improve customer service.

Governmental Operations and Veterans

Procurement bill gains

A bill changing the state's procurement procedures was approved after lengthy debate at the Thurs., Feb. 12, meeting of the Governmental Operations and Veterans Committee. Sen. David Knutson (R-Burnsville), sponsor of S.F.

726, said the bill streamlines and modernizes the state's procurement system and is necessary to comply with the World Trade Organization treaty.

Considerable discussion centered around an amendment offered by Sen. Steven Morse (DFL-Dakota). Morse said his amendment requires the state to be more environmentally responsible in its procurement practices. Sen. Martha Robertson (R-Minnetonka) argued against the amendment. She said the amendment adds on many new policies to what was supposed to be a Dept. of Administration housekeeping bill. The amendment was rejected on a voice vote.

The committee, chaired by Sen. James Metzen (DFL-South St. Paul), also considered S.F. 2414, sponsored by Sen. Dennis Frederickson (R-New Ulm). Frederickson said that the bill authorizes the creation of an agricultural marketing and bargaining advisory committee. He said that the advisory council is to make recommendations on the marketing of agricultural commodities and aid in the resolution of disputes. Frederickson added that the advisory council has a sunset and will dissolve in 2002. The bill was approved and now goes to the Senate floor.

Sen. John Hottinger (DFL-Mankato) presented S.F. 2376 to the committee for consideration. Hottinger said that the bill establishes a task force to look at ways of evaluating water quality standards and analyze them through a cost-benefit model. He said that the goal of the bill is to improve water quality standards. The bill previously called for labor representation on the task force, Hottinger said, but that provision was removed after consulting with Minnesota AFL-CIO President Bernie Brommer. The committee endorsed the bill and forwarded it to the Environment and Agriculture Budget Division.

The committee also approved S.F. 2354, sponsored by Sen. Sheila Kiscaden (R-Rochester). The bill adds county and municipal hospital employees to the pool of public employees for purchasing group insurance. Also receiving committee endorsement was S.F. 1814, sponsored by Sen. Linda Scheid (DFL-Brooklyn Park). Scheid said that the bill limits members of the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience, and Interior Design to two terms. Both bills now advance to the Senate floor.

Committee update

Pension bill gains

The Governmental Operations and Veterans Committee met Tues., Feb. 17, and took action on several bills. The panel, chaired by Sen. James Metzen (DFL-South St. Paul), advanced three bills to the full Senate.

S.F. 2555, sponsored by Sen. Steven Morse (DFL-Dakota), contains numerous pension bills that have been scrutinized and approved by the Legislative Commission on Pensions and Retirement. The measure includes provisions relating to the Luverne Community Hospital and the Arnold Memorial Hospital, if the facilities are privatized, allowing the respective cities to transfer assets; clarifies authority for higher education phased retirement program participation; modifies the manner of charging administrative fees in several plans and makes numerous other changes to various plans. One provision grants an increased survivor benefit to the spouse of the St. Paul building inspector who was murdered last December. The measure also contains provisions relating to part-time and full-time teacher retirement plans. In addition, the bill establishes a revised prior service credit purchase payment amount determination procedure. Several provisions authorize the purchase of service credit by individuals under special circumstances. Several provisions modify various judges salaries and modify the Judges Retirement Plan member and employer contribution rates. The measure also authorizes current Legislators and constitutional officers with less than six years of service who elect to transfer from the Legislators Retirement Plan or the Elective State Officers Retirement Plan to transfer past member contributions and 8.5 percent interest and an equivalent amount representing past employer contributions. Finally, the bill provides for the definition and contributions rates of local government correctional employees. The bill was approved and advanced to the full Senate.

The committee also approved a bill making numerous housekeeping changes to the law authorizing electronic signatures. S.F. 2068, sponsored by Sen. Steve Kelley (DFL-Hopkins), provides for the reliability of electronic messages, provides for certification authorities, provides licensing and enforcement powers and provides for rulemaking.

A bill, S.F. 2436, authored by Metzen,

providing for the transfer of workers compensation judges from the Dept. of Labor and Industry to the Office of Administrative Hearings, was also approved. The bill creates a Settlement Division and specifies that the judges, together with their support staff, offices, furnishing, equipment and supplies are transferred to the Settlement Division of the Office of Administrative Hearings. The measure also transfers the Small Claims Court from the Dept. of Labor and Industry to the Office of Administrative Hearings. The bill further specifies that the seniority of a workers' compensation judge at the Office of Administrative Hearings, after the transfer, must be based on the total length of service as a judge at either agency. The bill was advanced to the full Senate.

Confirmations okayed

The Governmental Operations and Veterans Committee, chaired by Sen. James Metzen, met Wed., Feb. 18, and took action on five gubernatorial appointments.

The committee recommended the confirmation of Warren Satterlee, Lois West, and Elizabeth Whitbeck to the State Arts Board. They also recommended the confirmation of Ken Nickolai as the chief administrative law judge of the State Office of Administrative Hearings and Karen Carpenter to be commissioner of the Department of Employee Relations.

The committee also took action on six bills. S.F. 3166, authored by Sen. Dave Johnson (DFL-Bloomington), is a resolution stating Minnesota's support for the admission of the Baltic states of Estonia, Latvia, and Lithuania into the North Atlantic Treaty Organization (NATO). The bill was recommended to pass and sent to the Senate floor.

S.F. 2688, carried by Sen. Roy Terwilliger (R-Edina), designates Feb. 3 as Chaplin's Sunday in honor of four United States Army Chaplains who sacrificed their lives at sea for other service members. Terwilliger said the four gave their lives to save other service personnel while serving on the USS *Dorchester*, a United States Army troop transport ship that was sunk off the coast of Greenland in 1943. The bill was approved and recommended for placement of the Consent Calendar.

H.F. 2308, carried by Sen. Edward Oliver (R-Deephaven), modifies licens-

ing provisions for accountants in Minnesota. Oliver said the bill authorizes the licensure of accounting firms, provides for maintenance or surrender of licenses in certain cases, and modifies existing language governing the licensing board's complaint committee. He added that the bill also makes technical changes. The bill was recommended to pass and sent to the Senate floor.

S.F. 2945, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides for mutual assistance between participating states in the event of any kind of emergency or disaster declared by the governor of a state. Stumpf said the compact has already become law in Iowa, South Dakota, and North Dakota and is currently being considered in the Wisconsin Legislature. He said the language of the bill can not be altered because each state that joins the compact must approve the same provisions.

Stumpf said the need for the compact came out of the devastating flooding in the state last spring. He added that participating states are assigned the responsibility of adopting plans and procedures necessary to implement the compact. The bill was recommended to pass and sent to the Senate floor.

S.F. 3149, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), sets standards for the procurement of information technology to assure access by persons who are blind or visually impaired. Pogemiller said the bill requires state agencies, political subdivisions, the University of Minnesota, and Minnesota State Colleges and Universities to make information technology software accessible.

Sen. Linda Runbeck (R-Circle Pines) asked if the Office of Technology supported the bill. Assistant Commissioner of the Dept. of Economic Security Dick Davis testified that he has had meetings with other state agencies, including the Office of Technology, and they all support the bill. S.F. 3149 was recommended to pass and referred to the Governmental Operations Budget Division.

S.F. 3076, authored by Sen. Steve Kelley (DFL-Hopkins), requires the commissioner of administration to make available an electronic version of the Guidebook of state agencies available on the Internet free of charge. Kelley said under existing law the guidebook must be published once every four years. He added that there is a cost to receive the

printed copy of the guidebook, but the state sends a free copy to all public libraries.

An amendment, offered by Sen. Steve Morse (DFL-Dakota) removed a provision in the bill to provide funds to the Dept. of Administration for additional costs to the department. The bill was approved, as amended, and sent to the Senate floor.

Governmental Operations Budget Division

Budget requests continue

The Governmental Operations Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), continued its series of hearings on supplemental and capital budget requests Mon., Feb. 16. The division heard the requests in preparation for assembling their omnibus budget bills for the session.

Sen. Sheila Kiscaden (R-Rochester) presented S.F. 2558 to the panel. Kiscaden said that the bill proposes putting routine building maintenance costs into agency operating budgets. Sen. James Metzen (DFL-South St. Paul) said that the bill is a good idea, but there needs to be more definition of what expenses qualify as routine maintenance.

A request for \$250,000 was presented by Sen. Steven Morse (DFL-Dakota) for the Community Based Planning program. Morse said the request, found in S.F. 2666, provides \$100,000 to continue the advisory council and \$150,000 for 6 pilot project grants.

A bust of Nellie Stone Johnson is proposed in S.F. 1809, sponsored by Sen. Douglas J. Johnson (DFL-Tower). Sen. Johnson said that the sculpture would be the first depicting a woman in the Capitol. Price suggested that the sculpture could be placed in the proposed Women's Suffrage Memorial Garden because of Stone Johnson's work on the issue.

Sen. Deanna Wiener (DFL-Eagan) requested \$100,000 to be divided equally between the Departments of Health and Commerce for an advisory council on occupational licensing. Kiscaden, a co-sponsor of the measure, S.F. 2380, said many issues such as telepracticing, and consistency in occupational board powers need to be addressed by the advisory council. Sen. Sam Solon (DFL-Duluth) presented S.F. 2672, requesting \$1

million to repay the Public Employees Insurance Program so that it can convert back to a self-insured program. The division also heard a request for \$800,000 from the Department of Revenue to fund the Minnesota Collection Enterprise program. No action was taken on any budget request.

Sports facilities considered

Eight budget requests, including several for sports and recreational facilities, were considered Tues., Feb. 17, by the Governmental Operations Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury).

Nancy Stark and Paul Mandel of the Capitol Area Architectural and Planning Board presented a request for \$6.6 million for restoration work on the buildings around the Capitol Mall. The two said the work includes installing more efficient lighting around the Capitol, replacing outdated mechanical and electrical systems, and replacing doors in the Capitol to comply with the Americans with Disabilities Act. Sen. Sandra Pappas (DFL-St. Paul) also submitted a request for \$250,000 to develop a women's suffrage memorial garden in the Capitol Mall. Sens. Steven Morse (DFL-Dakota) and Pat Piper (DFL-Austin) presented their bill, S.F. 2747, requesting \$442,000 to restore memorial sculptures around the Capitol. The request is especially for the "Innocence of Youth" sculpture by the Veterans Service Building.

Sen. Mark Ourada (R-Buffalo) presented S.F. 2359. The bill appropriates \$2 million from the bond proceeds fund for an indoor sports facility in Elk River. S.F. 2440, sponsored by Sen. Bob Lessard (DFL-Int'l. Falls), appropriates \$135,000 to complete a ski jump facility at Mt. Itasca. Sen. James Metzen requested \$1 million in S.F. 2549 for additional grants under the "Mighty Ducks" program and to fund women's hockey facilities on University of Minnesota campuses.

Two other bills, S.F. 2964, sponsored by Sen. Carol Flynn (DFL-Mpls.), and S.F. 2442, sponsored by Sen. Richard Cohen (DFL-St. Paul), propose recreational facilities for the Metro Area. Flynn's bill appropriates \$600,000 to build the Mpls. Urban Sports Center, while Cohen's bill appropriates \$3.4 million to build a community tennis facility in St. Paul. No action was taken on any item.

Budget bill approved

The Governmental Operations Budget Division, chaired by Sen. Leonard Price (DFL-Woodbury), approved its supplemental budget bill for FY 99 at a Weds., Feb. 18, meeting. The bill now goes to the State Government Finance Committee.

Price said the bill as presented is \$813,000 over the governor's recommendations, but that is mainly due to the \$1.2 million cost of the livestock feedlot generic environmental impact statement, an additional appropriation of \$1.917 million above the governor's recommendation for the Office of the Attorney General for increased legal work, and a \$700,000 transfer to the Minnesota State Retirement System. The appropriations include \$24.441 million for the Attorney General's Office because the office's entire FY 99 budget was vetoed by the governor last year. Other appropriations include \$100,000 to update the Secretary of State's statewide voter registration system; \$65,000 to Minnesota Planning for the 2000 census promotional efforts; \$3.497 million to the Administration Department for the Year 2000 computer project; \$731,000 to the Dept. of Revenue for the Minnesota Collection Enterprise; \$10,000 each to the Departments of Commerce and Health for a study of occupational licensing issues; \$10,000 to the Public Employee's Retirement Association for a survivor benefit; \$408,000 to the State Auditor for tax increment financing enforcement; and \$300,000 to the Dept. of Employee Relations for a Health Care Access Fund loan payment.

Sen. Dan Stevens (R-Mora) questioned why the amount for the attorney general was above the governor's recommendation while the appropriation for the Year 2000 project was \$1.5 million below the recommendation. He asked what part of the attorney general's budget was for broadcasting public service announcements (PSAs). Chief Deputy Attorney General Lee Sheehy said the PSAs cost about \$10,000 to produce, but are broadcast for free. Sen. Richard Cohen (DFL-St. Paul) said that the Senate previously decided that the attorney general's budget is the appropriate place for PSA costs because they cover such issues as child support payment and consumer protection. Sen. Martha Robertson (R-Minnetonka) said that

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even though the appropriations are over the targets, they help enhance revenues which helps bring the overall budget into balance. The division adopted the budget spreadsheet and the accompanying rider language.

The division also heard additional requests for bonding funds. Cohen presented S.F. 2887, an \$8 million request from the Penumbra Theater to construct a performance and educational arts center. Artistic Director Lou Bellamy said that the Penumbra is America's foremost African American theater and the center will put Minnesota at the forefront of cultural art. Josie Robinson of the center said the \$20.5 million facility will bring all arts together in the community and "We can be proud of it in Minnesota."

A \$750,000 request for the Paramount Arts District Project in St. Cloud was presented by Sen. Dave Kleis (R-St. Cloud) in the form of S.F. 2829. Kleis said the center "is the only community based theater facility in central Minnesota." Lori Olson, project coordinator, said that the facility only needs 13 percent of its funding from the state because local support has been so strong.

Sen. Douglas Johnson (DFL-Tower) presented S.F. 2242, a request for \$3 million to build a new Dept. of Revenue building in Ely, and remodel the current revenue building located there into a business technology center. Other requests include S.F. 2213, sponsored by Sen. Sam Solon (DFL-Duluth) to use previously appropriated money for improvements to The Depot in Duluth; S.F. 2610, sponsored by Cohen, requesting \$50,000 to plan for public art in St. Paul; and S.F. 2773, also carried by Cohen, requesting \$4.5 million to convert public television stations to digital broadcasting facilities. No formal action was taken on any of the requests.

Higher Education Budget Division

U of M capital budget continues

Continuing themes raised from previous supplementary budget presentations before the Higher Education Budget Division, U of M President Mark Yudof presented the University's capital budget to the division Tues., Feb. 17.

While outlining the U of M capital

request, totaling \$248.9 million, Yudof said the proposal focuses on "people-centered strategies for a strong University."

"Academic excellence is driven by top-notch faculty working with highly trained support personnel," he said. The key to recruiting these faculty, he said, is by having facilities and equipment that meet their teaching and research needs. "If you don't have the facilities, the faculty just won't come," said Yudof. "Where's my office, my lab going to be?" is one of the first questions faculty ask upon arrival, said Yudof.

Yudof discussed both the basic foundations and the specific components of the U of M's four-year capital budget plan. Touching on the issues of preserving the past while simultaneously nurturing the future, Yudof told the division about some of the larger capital projects occurring at the Twin Cities, Crookston, Duluth, and Morris campuses, and the various agricultural research experiment stations. He said the 1998 capital request also concerned improving libraries, asset preservation and maintenance, classrooms, and campus accessibility.

The maintenance and deferral of maintenance of buildings was also one of the issues he touched on. "We're getting everything on a routine cycle of getting fixed," Yudof said. Historically, he said, the University has been spending 70 percent of its capital funding on new buildings, and the remaining 30 percent on renovations. He said the University is trying to flip the formula, to make a larger investment in already existing buildings. Where maintenance is most often deferred, he said, is in health and environmental safety improvements to buildings. He said that the U of M is trying to get a substantial portion of the deferred maintenance out of the way by 2001, the University's 150th birthday.

Division members, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), had a variety of questions for Yudof. Replacing equipment that becomes obsolete quickly, finding study space for students during multiple construction projects, and the overall effect of the budget request on the total amount of deferred maintenance remaining were some of the issues discussed by Yudof and his staff.

Sen. Steve Kelley (DFL-Hopkins) said that he was aware Yudof strongly resisted

any prioritization of the capital budget projects. "We're going to have to not fund about \$40 or \$50 million of the projects on your list," said Kelley. He asked if it were possible for Yudof to prioritize the projects in light of that fact.

"From my standpoint this is a historic opportunity, to get the University right for the next 20 to 25 years," replied Yudof. "I'm very reluctant to rank the programs, and I urge the division to be extremely careful if it does so."

Appropriation bills heard

The Higher Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), met Weds., Feb. 18, to discuss bills seeking appropriations for various land and building projects around the state.

Sen. Roger Moe (DFL-Erskine) presented a bill seeking \$2 million from the bond proceeds fund for two facilities to be located on the Red Lake Indian Reservation. For the first time, said Moe, the Red Lake Indian Reservation has the opportunity to host a private company's move onto the reservation, which would provide employment opportunities for the community.

"One has only to glance at some of the statistics provided to understand the need for this project," said Moe, referencing a fact sheet providing employment and other statistics for the reservation.

Bobby Whitefeather, tribal council chair of the Red Lake Band of Chippewa Indians, said the facilities would be the first of their kind on any reservation in Minnesota. He discussed the employment difficulties reservation members face when trying to find jobs, such as transportation and child care.

Sen. Sam Solon (DFL-Duluth) talked about the collapse of the fishing industry in Duluth, and drew comparisons to the situation faced by those on the reservation. "Anything we can do to provide employment opportunities in Greater Minnesota, we must just do," said Solon.

The bill was one of two bills the division recommended to pass and rereferred to the Economic Development Budget Division.

The other bill was S.F. 2569, authored by Sen. Douglas Johnson (DFL-Tower). The bill provides a grant to the U of M at Duluth (UMD) for capital improvements to the Glensheen mansion. Johnson said that the Friends of Glensheen have raised

\$750,000 for the improvements, and are seeking matching funds from the state for another \$750,000.

S.F. 2466, presented by Sen. Randy Kelly (DFL-St. Paul), appropriates \$14 million for MnSCU to build a library for the St. Paul campus of Metropolitan State University. The bill provides the money for the library construction through the sale of bonds. Numerous students and alumni testified on behalf of the need for the library, and outlined problems faced when attending a campus without any sort of a library at all.

Kelly said the proposal was for the most cost-effective library possible. Under the proposal, the library serves the dual function of serving both Metro State Students and the local community, and would have access to the U of M collections.

Division members expressed surprise that a major university did not yet have a library. Solon said he was appalled at the lack of a facility. He said the question was not whether to fund the library construction, but when to fund it.

The bill was laid over for possible consideration in the omnibus bill.

S.F. 2308, authored by Sen. Steve Dille (R-Dassel), was the final bill discussed. The bill appropriates \$2.7 million for the renovation and conversion of the dairy barn on the U of M's St. Paul campus. The total cost for the project is \$13.6 million, said Dille. He said the dairy barn is the second oldest building on the campus, built in 1907. "It's a beautiful old building," said Dille. He said that the U of M is tearing down many of its old buildings, and would, in fact, be tearing down the oldest building on the St. Paul campus. The renovated dairy barn would house a commons area, meeting and reception space, and study space.

Alumnus Katherine Knutson, a veterinarian, said that there is no place on campus that can contain more than 70 people at one time. "We're envisioning a space where students, staff, and alumni can meet," she said.

The bill was laid over for consideration in the omnibus bonding bill.

Health and Family Security

14 health bills advance

The Health and Family Security Committee, chaired by Sen. John Hottinger (DFL-Mankato), held a marathon session, Wed., Feb 11, to

consider 18 health bills, 14 of which were advanced. The committee approved S.F. 3004, a bill that recommends an allocation of \$5 million in FY 1998 for the Fetal Alcohol Syndrome (FAS) prevention program spearheaded by First Lady Susan Carlson.

The bill, S.F. 3004, authored by Sen. Linda Berglin (DFL-Mpls.), provides for prevention of FAS through early intervention and grant programs. Berglin said the bill requires the commissioner of health to implement a statewide campaign to raise public awareness about FAS and related effects; develop educational materials about FAS for training of health care professionals, social service providers, educators, and judicial and correction officers; administer a grant program to community organizations, collaborations, and coalitions, for prevention and intervention strategies; authorize the fetal alcohol coordinating board to apply for, receive, and disperse federal funds; ensure that maternal and child health and social services programs are available statewide; fund outreach programs in hospitals; and, finally, to conduct a study of the incidence and prevalence of FAS in Minnesota. The committee approved the measure and referred it to the Governmental Operations and Veterans Committee.

Five bills were approved and sent to the floor.

S.F. 2699, authored by Sen. Becky Lourey (DFL-Kerrick), memorializes Congress to remove Medicaid barriers to work by allowing the permanently disabled to retain coverage on a basic sliding fee basis. S.F. 2426, authored by Berglin, increases maximum financial reserves permitted for health maintenance organizations. S.F. 2669, authored by Hottinger, allows greater use of arrangements with businesses when providing day training and habilitation services. Berglin said her bill, S.F. 2108, amends current lead abatement statutes to match federal compliance requirements thereby preventing a Federal Drug Administration takeover of the program. S.F. 3092, authored by Sen. James Metzen (DFL-South St.Paul), provides for restrictions on sales, marketing and possession of ephedrine, a potentially dangerous stimulant.

Seven bills were referred to the budget division for consideration in the omnibus bill.

S.F. 1984, authored by Sen. Deanna Wiener (DFL-Eagan), establishes a post-kidney transplant drug program to cover the cost of post-kidney transplant maintenance drugs that are not covered by another third-party payer. S.F. 3137, providing General Assistance Medical Care coverage for victims of torture, and S.F. 2697, establishing a rental assistance program for homeless program participants with mental illness, a history of substance abuse or HIV/AIDS, were both authored by Sen. Don Samuelson (DFL-Brainerd). S.F. 2509, authored by Hottinger, establishes a program to provide technical assistance for counties in developing crisis nursery programs and recommends an appropriation of \$200,000 in FY 1998. Sen. Pat Piper (DFL-Austin) presented S.F. 3030, a bill that recommends a \$989,000 appropriation for the breast and cervical cancer control program to fund cancer screening for low-income individuals without adequate health coverage. S.F. 2025, authored by Samuelson, modifies nursing facility reimbursement statutes to address requirements in federal legislation.

S.F. 2633, authored by Berglin, contains a number of modifications to Dept. of Human Services health care programs. For example, she said the bill exempts certain Medicare income from the Medical Assistance health maintenance organization surcharge, as required by federal law; repeals current statutory language requiring Medical Assistance reimbursement for hospitals, nursing homes and intermediate care facilities to adequately cover costs of fiscally responsible facilities; turns the state share of mental health case management costs over to the counties; requires counties to assume future responsibility for the nonfederal share of these costs; and delays the expansion of the elderly waiver program approved by the 1997 Legislature.

The author offered a number of amendments, for example, to modify the senior drug program, provide funds for waiver programs for mental retardation and other related conditions, and require that information about the Office of the Ombudsman for Older Minnesotans be included in notices of change of client fees. Samuelson offered an amendment dealing with county-based purchasing agreements. Other amendments were also offered and adopted.

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Finally, S.F. 2331, authored by Hottinger, requiring the Housing Finance Agency to conduct a study identifying mechanisms to provide assistance in financing manufactured home park upgrades, was re-referred to the Jobs, Energy and Community Development Committee. S.F. 2635, authored by Berglin, and S.F. 2391, authored by Kiscaden, both modifying the MinnesotaCare program, were held over. Berglin said key provisions S.F. 2106 and S.F. 2781, bills dealing with language services to health care recipients, would be incorporated into S.F. 2635.

MinnesotaCare bill okayed

The Health and Family Security Committee, chaired by Sen. John Hottinger (DFL-Mankato), held two sessions, Thurs., Feb. 12, to continue presentation of health care bills.

Sen. Linda Berglin presented S.F. 2635, a bill that modifies provisions in the MinnesotaCare program to access federal funding under the state children's health insurance program. She said the bill, for example, exempts children from the asset test requirement for Medical Assistance eligibility; delays the shift of eligibility from General Assistance Medical Care to the MinnesotaCare program for adults with children whose income is equal to or less than 275 percent of poverty level; specifies that children and pregnant women, including noncitizens, are eligible for coverage of all services and exempt from copayments under the Medical Assistance program; clarifies that a pregnant woman enrolled in MinnesotaCare receives retroactive coverage from the date pregnancy is diagnosed; states that residents of correctional or detention centers are ineligible; and requires the automatic eligibility of newborns.

The author offered numerous amendments to the bill which were adopted. Among the amendments are provisions allowing for interpreter or sign or foreign language services to assist enrollees, requesting eligibility for assistance be renewed every 12 months, and requiring the commissioner of human services to submit a plan to obtain federal funding to the Health Care Financing Administration.

Sen. Sheila Kiscaden (R-Rochester) offered amendments, which were adopted, to authorize the commissioner to enhance federal matching funds,

submit requests for waivers in order to enhance matching funds under the state children's health insurance program for expenditures made under the MinnesotaCare program, and use the Revenue Recapture Act to collect a portion of an enrollee's state income tax refund that resulted from a state tax credit.

The measure was approved and referred to the budget division.

Sen. John Marty (DFL-Roseville) presented S.F. 1615, a bill that requests the governor to contact the chairs of the 11 tribal governments in Minnesota to seek a contribution of funds for a compulsive gambling treatment and prevention program, and requires the commissioner of human services to establish a public service advertising campaign to create awareness of the problems associated with gambling. Sen. Don Betzold (DFL-Betzold) offered an oral amendment to delete a gambling program funding provision and to soften the language regarding the request to the governor. The bill was approved and referred to the budget division.

Two bills authored by Sen. Becky Lourey (DFL-Kerrick) were sent to the floor. S.F. 481, restores the threshold for a fee-for-service medical assistance program for the seriously disabled and mentally ill. S.F. 2355 allows nursing facilities to satisfy state payroll documentation requirements by keeping automated data available for viewing rather than in printed form.

S.F. 2227, authored by Sen. Dallas Sams (DFL-Staples), raising the nursing home medical assistance salary adjustment per diem, was approved and referred to the budget division. Sams said many nursing homes have had to close because of a lack of staff at the direct basic care level and an inability to raise salaries to retain employees.

S.F. 2425, authored by Sen. John Hottinger (DFL-Mankato), dealing with nursing home staffing reimbursements, was held over for future discussion. S.F. 2194, authored by Sams, clarifying equal access requirements for health plans, was presented to the committee but no vote was taken.

Nursing home staffing bill gains

The Health and Family Services Committee sent two bills to the floor and two to the budget division in quick succession, Fri., Feb. 13. Vice Chair Sen.

Becky Lourey (DFL-Kerrick) chaired the meeting.

S.F. 2425, authored by Sen. John Hottinger (DFL-Mankato), authorizes a five percent cost of living allowance increase for nursing home employees, repeals spend-up limits and high cost facility limits for certain nursing facilities, and repeals minimum nurse staffing requirements for nursing facilities and replaces them with maximum ratios of residents to nonlicensed nursing personnel. The bill was approved and referred to the budget division.

Sen. Dallas Sams (DFL-Staples) presented S.F. 2194, a bill that establishes an ad hoc advisory panel to develop measures to prevent discriminatory practices by health maintenance organizations against chiropractic services. Sen. Leo Foley (DFL-Anoka) offered an oral amendment, which was adopted, to soften the language on discrimination. The bill was referred to budget division.

S.F. 3000, authored by Lourey, establishing an adolescent pregnancy prevention plan for the state, was approved and sent the floor. Sen. Michelle Fishbach (R-Paynesville) offered an amendment to ensure that the bill complied with a current abstinence education program. The amendment was adopted.

Finally, Sen. David Knutson (R-Burnsville) presented S.F. 2276, a largely technical bill dealing with child support issues that amends a paternity statute regarding blood testing. The bill strikes language that conflicts with the rules of civil procedure and clarifies child support terminology. The bill was recommended to pass.

Omnibus child welfare bill gains

The Health and Family Security Committee approved the omnibus child welfare bill, S.F. 2682, Tues., Feb. 17.

S.F. 2682, authored by Sen. Jane Ranum (DFL-Mpls.), contains a number of initiatives relating to child protection and incorporates a similar bill, S.F. 2277, authored by Sen. Sheila Kiscaden (R-Rochester). Ranum said the bill represented a collaboration between many stakeholders including several departments, child advocacy groups, and Legislators. She said the bill includes provisions to comply with the federal 1996 Child Abuse Prevention and Treatment Act and the 1997 Adoption of

Safe Families Act. The bill recommends an appropriation of \$30 million. Ranum said Legislators should consider the unintended consequences of the state's tax policy that "relies disproportionately on the property tax base to fund these programs."

Ranum said the bill is designed foremost "to prevent families from being the subject of an abuse investigation or from having children removed from their homes." She said the bill contains provisions to expedite court proceedings for a high-risk category of children under eight years old, establishes a dual track system for responding to reports of child abuse and neglect, provides concurrent permanent planning for family reunification or alternative out-of-home placements for children should reunification efforts fail, requires special child safety assessments and plans for young children at high risk of abuse because of a parent's past history, mandates a statewide plan for child welfare services, and establishes citizen review panels to examine policies and practices.

Ranum offered several amendments. One amendment allows counties to enter into pilot project agreements and another that provides conditions under which child safety assessments and plans are implemented. The committee adopted these and other amendments.

Jim Koppel, Children's Defense Fund, said past legislation focused on damage control at the very end of the child protection process. He said the bill before the committee, "puts resources on the front end to help parents resolve problems so they can stay out of the court system." He said the savings to society in preventive measures are borne out by research.

Sen. Dave Knutson (R-Burnsville) moved to fold his bill, S.F. 2201, which incorporates recommendations from the Legislative Auditor's report on child protective services and privacy issues, into the omnibus child welfare bill. The motion prevailed.

Finally, Sen. Linda Berglin (DFL-Mpls.) presented S.F. 695, a bill that requires a non-profit health care trust to notify, and obtain approval from, the attorney general for the transfer or sale of property to a for-profit corporation. Deputy Attorney General Lucinda Jesson said the Attorney General's Office supports the bill. The measure was approved and re-referred to the Judiciary Committee.

Health and Family Security Budget Division

Budget allocations presented

The Health and Family Security Budget Division, chaired by Sen. Don Samuelson (DFL-Brainerd) began work on the omnibus supplemental budget bill, Mon., Feb 16. The draft proposal contains numerous bills relating to health and child welfare. The total spending amount matched the division's budget target of over \$47.3 million.

Among the 42 bills approved for inclusion in the division's budget are S.F. 2058, authored by Sen. Roger Moe (DFL-Erskine), a bill providing mental health grants to treat trauma among flood victims. Sen. Linda Berglin's (DFL-Mpls.) Fetal Alcohol Syndrome program, S.F. 3004, received \$2 million out of the governor's request of \$5 million. Berglin said she realized the program could not receive full funding but said she was surprised at the significance of the decrease. Samuelson said his budget proposal focused on funding direct grants rather than administration costs contained in some programs. Berglin's S.F. 2635 and S.F. 2633, modifying the MinnesotaCare and the Dept. of Human Service health care programs, respectively, received the most significant funding levels which totaled over \$23.8 million. Samuelson's S.F. 2233--authorizing a two percent cost of living allowance increase for nursing homes, children's mental health, dental, day training and habilitation, rehabilitation, and managed care services--was also included. Berglin's S.F. 2780, modifying the food stamp program to include legal non-citizens, received the requested funding of \$5.4 million.

Over 25 amendments were offered and adopted largely to correct or clarify language in the bill. Among the numerous amendments offered by Berglin, were provisions to allow the Dept. of Human Services to grant training waivers to mental illness case managers, provide that the commissioner shall consider increasing the base Aid to Families with Dependent Children by an amount equal to the percentage increase in the consumer price index. Samuelson offered an amendment to move tribal governments into managed care programs. Sen. Sheila Kiscaden (R-Rochester) offered

one allowing a MinnesotaCare enrollee to authorize the use of the enrollee's income tax refund to meet premium obligations. Sen. Dan Stevens (R-Mora) offered an amendment to introduce some consistency in fee setting for agricultural chemical facility sites.

The committee approved the measure and re-referred it to the Human Resources Finance Committee.

Human Resources Finance

More bonding testimony

The Human Resources Finance Committee, chaired by Sen. Linda Berglin (DFL-Mpls.), continued earlier testimony on the governor's bonding recommendations, Thurs., Feb. 12. The committee heard from the Minnesota Housing Finance Agency, the Minnesota Historical Society, and the Dept. of Finance.

Peter Sausen, assistant commissioner, and Lee Mehrkens, capital budget coordinator, Dept. of Finance, gave an overview of the department's guidelines for capital project grants to political subdivisions. He said the department has seen a marked increase in the number and size of local requests for state capital funding. He said local governments are seeking state funds in excess of \$300 million for over 30 projects in the 1998 bonding bill. When considering local project funding, Sausen said the department recommends Legislators acquire more timely pre-design information, clarify state funding roles, and minimize the state's financial involvement through a minimum 50 percent non-state funding match for local projects. He also outlined constitutional and statutory requirements for state funding of local capital projects.

These recommendations generated lengthy debate about constitutional requirements and the Legislative role in funding local projects. Berglin said that Legislators had a responsibility to determine, "beyond anything else whether or not there is an economic benefit for the state either in generating revenue or jobs." She said she is concerned the state will be overwhelmed by capital needs of local governments and said she would work with the department to clarify for Legislators uncertainties in the funding roles of state and local governments.

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Katherine Hadley, Minnesota Housing Finance Agency (MHFA), gave a brief overview of the governor's \$2.5 million bonding recommendation for the agency's 1998 budget request. She said the MHFA has provided publicly owned transitional housing for the homeless and battered women's residences since 1990. Hadley said the need for both emergency and transitional shelter facilities serving homeless persons continues to grow--funding of this request will result in the development of about 100 units of transitional housing.

Rachel Tooker, and David Kelliher, Minnesota Historical Society, said the society's capital budget requests and spending priorities relate primarily to the Historical Sites Network and asset preservation. Tooker said the state historic sites network--which include Fort Snelling History Center, Split Rock Lighthouse, and over 30 other sites--is in its third decade of heavy use by patrons. She said that the annual average of over 600,000 visitors, coupled with environmental factors, have created visible and substantive wear and tear on the structures, many of which are over 100 years old. She said the governor's recommendations for FY 1998 are \$2 million for asset preservation and \$1 million for County and Local Historic Preservation Grants. Kelliher said the society will raise \$1.3 million non-state match through private fund raising.

Jobs, Energy, and Community Development

Homeowner counseling okayed

The Jobs, Energy, and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton), met Thurs., Feb. 12, and took action on several bills.

S.F. 2377, authored by Novak, appropriates \$70,000 from the general fund for the community rehabilitation program to be used for a grant to a statewide organization that advocates on behalf on persons with mental retardation or related conditions. Novak said the grant must be used for home ownership counseling services to persons participating in the Fannie Mae Homechoice program and other programs designed to encourage home ownership among persons with disabilities. The bill was

recommended to pass and referred to the Economic Development Budget Division.

S.F. 2265, sponsored by Sen. Tracy Beckman (DFL-Bricelyn), expands the Housing Finance Agency's authority to make equity take-out loans to all federally assisted rental housing. Beckman said, under the bill, the agency is permitted to allocate low-income housing tax credits to projects that preserve existing subsidized housing and prevent its conversion to market rate housing. Beckman added that the bill requires an owner of federally assisted rental housing to submit an impact statement to the local governmental unit in which the housing is located at least six months before terminating participation in the federal program, and requires the governing body to hold a hearing on the impact statement within 30 days. The bill was recommended to pass and sent to the Economic Development Budget Division.

S.F. 2122, authored by Sen. James Metzzen (DFL-South St. Paul), strikes a scheduled increase in the statutory interest rate on rental security deposits. Metzzen said, under current law, the rate is three percent annually, with an increase to four percent scheduled for May 1, 1999. He added the bill strikes the 1999 increase. The bill was recommended to pass and sent to the Senate floor.

Affordable housing bill okayed

A bill that provides funding to retain certain federally assisted affordable housing was approved by the Jobs, Energy, and Community Development Committee at a Thurs., Feb. 12, evening meeting. The committee is chaired by Sen. Steven Novak (DFL-New Brighton).

S.F. 3113, authored by Sen. Randy Kelly (DFL-St. Paul), expands the Housing Finance Agency's authority to make equity take-out loans to all federally assisted rental housing. Kelly said the bill provides incentives for landlords to rent to low income people. Kelly said the bill appropriates \$10,000 from the general fund to the Housing Finance Agency for the affordable rental investment fund program to finance the acquisition, rehabilitation, and debt restructuring of federally assisted rental housing. Kelly added that the bill appropriates \$10 million for the affordable rental investment program to be used to finance an approximately equal numbers of housing units in the metro-

politan and outstate areas, and \$5 million to the community rehabilitation program for grants to acquire, demolish, and remove substandard multiple-unit, residential rental property or acquire, rehabilitate, and reconfigure multiple-unit residential rental property.

St. Paul City Council Member Cathy Lantry said the bill is important to the state because landlords need incentives, when appropriate, to demolish dilapidated housing units in communities. "We need quality low income housing in Minnesota," Lantry said. "We don't want low income people to live in squalor."

Sen. Ellen Anderson, (DFL-St. Paul), said she is concerned that there is crisis when it comes to affordable housing for low income residents but she questioned the wisdom of demolishing housing that may not be replaced. She added that there is a significant need for more money to build low-income housing. The bill was recommended to pass and referred to the Economic Development Budget Division.

S.F. 2331, carried by Sen. John Hottinger (DFL-Mankato), directs the Minnesota Housing Finance Agency, in conjunction with appropriate state agencies, to conduct a study of the condition of manufactured home parks throughout the state. Hottinger said the study evaluates current levels of regulatory enforcement, identifies mechanisms to provide assistance in financing manufactured-home park upgrades, and sets out options to address upgrading housing stock and infrastructure in relation to parks. Hottinger added that, under the bill, copies of the study's report must be submitted to appropriate standing committees of the Legislature by Jan. 15, 1999. The bill was recommended to pass and referred to the Economic Development Budget Division.

S.F. 2409, authored by Novak, establishes a state fund for local development. Novak said the bill creates an account in the general fund to be used for grants to municipalities for redevelopment project costs including land acquisition, demolition, and infrastructure improvements. Novak said the fund grants may not exceed 50 percent of a project's total cost. He added that at least 25 percent of the grants must be awarded outside the Metropolitan Area. The bill was recommended to pass and referred to the Economic Development Budget Division.

S.F. 3170, authored by Sen. Roger Moe (DFL-Erskine), modifies voting requirements for school districts in approving an extended service area within combined school districts. Moe said that one result of school district consolidation has been that some districts have more than one telephone exchange. He added that in some cases, communication among students, teachers, parents, and administrators is limited by long distance charges.

Moe said the bill allows the service to be received if the majority of residents voting in an election approve it. He added that under current law 50 percent of the total customers in a service area must approve the change. "Requiring a majority of customers voting gives the districts and their communities a realistic chance of getting the service," Moe said. The bill was recommended to pass and sent to the Senate floor.

S.F. 2943, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), allows the board of county commissioners of Kittson County to establish an economic development authority. Stumpf said Kittson County will use the development authority to aid in the creation of area jobs, to develop and expand local industry, and to develop a marketing plan. Stumpf said the county contains 13 small communities that will be aided in combining their economic development resources.

Sen. Kenric Scheevel (R-Preston) warned that the state could be setting a dangerous precedent by allowing counties to tax residents in this way. "We started with tax increment financing districts and city sale taxes and now we are allowing counties to tax," Scheevel said.

The bill was recommended to pass and sent to the Senate floor.

Rental bill okayed

The Jobs, Energy, and Community Development Committee met Fri., Feb. 13, and approved several bills. The committee is chaired by Sen. Steven Novak (DFL-New Brighton).

S.F. 2929, authored by Novak, requires landlords to return application fees to prospective renters or provide a reason for denial in writing. Novak said the bill strikes a balance between the rights of landlords to reasonably screen tenants and the civil rights of renters. The bill was recommended to pass and sent to the Senate floor.

S.B. 3068, sponsored by Sen. Linda Runbeck (R-Circle Pines), relates to workers' compensation. The bill strikes current requirement that the general fund reimburse the workers' special compensation fund in certain cases. Runbeck said the bill also makes technical changes relating to documents provided by employers and corrects an appropriation error. The bill was recommended to pass and sent to the Senate floor.

S.F. 2385, carried by Sen. Janet Johnson (DFL-North Branch), authorizes Chisago City to reimburse the town of Wyoming for annexed property in an agreed upon amount under a joint powers agreement. Johnson said the city and town have entered into the agreement for the purpose of establishing a joint commercial and business park in the annexed area. Johnson said the bill helps residents find employment in the local area. "More than 80 percent of residents in the communities currently have to commute to the Cities for work," Johnson said. The bill was recommended to pass and referred to the State Government Finance Committee.

S.F. 3189, authored by Novak, requires the Legislative Electronic Energy Task Force to establish a Technical Advisory Committee on electric restructuring. Novak said the bill also requires the committee to issue reports and establish duties for the Public Utilities Commission and Dept. of Public Service. Novak said the bill reflects a compromise worked out by the parties involved through the efforts made by the task force. He said the bill sets up a structure providing technical assistance to the task force and the Legislature, in the legislative review and analysis of issues relating to electric industry deregulation and the implementation of retail competition in Minnesota. "We are reaching out to the parties involved for evidence of what we need to do," Novak said.

Al Krug, of the Department of Public Service, criticized the bill for focusing on another commission that will be time consuming and add another layer of state bureaucracy. "We think the Legislature can be provided this information right now," Krug said.

Public Utilities Commission Chair Edward Garvey said he supports the bill because the state cannot stop technology, so information on the state's long-term infrastructure needs, environmental

needs, political climate, and consumer demand for choice are important. "We can't ignore changes that are coming," Garvey said. "We must thoughtfully and proactively address these problems."

The bill was recommended to pass and sent to the Senate floor.

Subsidy reform okayed

A bill to ensure public awareness and provide for the accountability of businesses receiving a subsidy in Minnesota was acted on by the Jobs, Energy and Community Development Committee at a Tues., Feb. 17, meeting. The committee is chaired by Sen. Steven Novak (DFL-New Brighton).

S.F. 2933, authored by Sen. John Hottinger (DFL-Mankato), adds to the powers and duties of the commissioner of trade and economic development by changing the reporting requirements for business subsidies and penalizing municipalities that induce business to relocate from other Minnesota municipalities. Hottinger said the bill is a reflection of recommendations made to the Legislature by the 1997 Corporate Subsidy Reform Commission. He said the bill is designed to ensure public awareness by requiring municipalities to develop a specific statement of what constitutes a public purpose with regard to business subsidies. He added that the statement should include at least two of the following: The subsidy must enhance economic diversity, create high quality job growth, provide for job retention, stabilize the community, or increase the tax base.

Hottinger said under the bill, a public subsidy is defined as any amount in excess of \$25,000. He added that agreements for subsidy between a municipality and a business must include penalties for non-compliance, and that the penalty must equal at least the amount of the subsidy plus interest. The bill was referred to the Economic Development Budget Division without recommendation.

S.F. 3043, authored by Sen. Randy Kelly (DFL-St. Paul), provides money to assist in the redevelopment of the Stroh Brewery area located in the northern part of St. Paul. Kelly said the bill appropriates \$2.8 million from the bond proceeds fund to the commissioner of trade and economic development for a grant to the St. Paul Port Authority to provide

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infrastructure improvements for the former Stroh's Brewery site. Kelly said it will cost a total of \$16 million to prepare the site for use by light industry.

Kelly said when the redevelopment is completed the site could provide as many as 400 jobs. "This site is important to the stability of the community," Kelly said. The bill was recommended to pass and referred to the Economic Development Budget Division.

S.F. 2280, carried by Sen. Linda Higgins (DFL-Mpls.), exempts some overpayments of reemployment insurance benefits from the standard collection procedure. Higgins said benefit overpayments that are the result of administrative or employer mistakes are exempt from the 1997 requirement that debts of the state be turned over to the Minnesota Collections Enterprise when they are 120 days past due. Higgins added that nothing prevents a community from following the standard procedure because but the bill removes the mandate that it be done. The bill was recommended to pass and sent to the Senate floor.

S.F. 2398, carried by Sen. Dave Kleis (R-St. Cloud), modifies the notice requirements for housing redevelopment authorities (HRA) before the sale or lease of land. Kleis said an HRA proposing to sell or lease nonresidential property or to sell residential property, with an assessed value of less than \$500,000 and more than \$10,000, is required to advertise the sale or lease prominently in an official newspaper of general circulation in the community. He added if the sale or lease involves a property valued at more than \$500,000 the advertisement must appear in a newspaper of statewide circulation of 100,000 or more.

Kleis said the advertisement must be at least one-eighth page in size of a standard newspaper and include a physical description of the property that is being sold or leased. He said the property must also have a sign prominently displayed informing the public that the property is for sale or lease. The bill was recommended to pass and sent to the Senate floor.

Judiciary

Criminal data bills advance

The Judiciary Committee, chaired by Sen. Jane Ranum (DFL-Mpls.), Fri., Feb. 13, sent six bills to the floor and recom-

mended that one, S.F. 3033, be placed on the Consent Calendar.

Sen. Don Betzold (DFL-Fridley) presented S.F. 3036, a bill that amends provisions of the Limited Partnership Act to provide that a limited partner may not withdraw from a partnership except as specified in a written limited partnership agreement. Betzold said the bill allows law firms to meet federal requirements and thereby receive a tax discount. The committee sent the bill to the floor.

S.F. 2317, authored by Sen. Linda Higgins (DFL-Mpls.), specifies which government unit is responsible for providing compensation in cases when police officers cause property damage in the commission of their duty. Higgins said the bill specifies that the jurisdiction issuing the initial warrant covers the costs of damage. Several Senators objected to a section of the bill that establishes a state fund for damage payments in cases where the local government unit would suffer serious financial hardship. The committee adopted an amendment to delete the section, with the author's approval, and sent the bill to the floor.

Sen. John Hottinger (DFL-Mankato) presented a bill, S.F. 2861, that extends good samaritan immunity from liability to a person who provides emergency medical care or treatment using an automatic external defibrillator. Sen. Deanna Wiener (DFL-Eagan) offered an amendment to delete a section requiring a person using a defibrillator to notify 911 as soon as possible, saying the mandate could provide grounds for liability. The amendment was adopted and the bill was sent to the floor.

Sen. Ember Junge (DFL-New Hope) presented two bills to the committee. S.F. 2758 authorizes the conditional release of the name of a juvenile to a victim after delinquency proceeding are concluded. Two author's amendments were adopted to remove and clarify language in sections regarding the type of information to be released that received negative scrutiny from Senator's in subcommittee hearings. A Betzold amendment, giving the county attorney authority to release summary information to the law enforcement agency that referred the matter to the courts, was also adopted. The bill was approved and sent to the floor. The second bill, S.F. 2493, amends the criminal alert network statute

to limit liability of financial institutions that provide fraudulent check information for use by law enforcement agencies investigating a crime. The author offered oral amendments to tighten language dealing with the release of information and good faith efforts on the part of the financial institution. The bill, as amended, was approved and sent to the floor.

S.F. 3033, authored by Sen. Richard Cohen (DFL-St. Paul), extending the sunset date for the Ramsey County Family Court combined jurisdiction pilot project from this year to June 30, 2000, was approved and recommended for the Consent Calendar. S.F. 1654, authored by Sen. David Ten Eyck (DFL-East Gull Lake), a recorder's bill amending filing fees and creating fee uniformity among the counties, was approved and sent to the floor with little discussion.

Malpractice lawsuit bill gains

The Judiciary Committee heard testimony and presentations, Mon., Feb. 16, on two similar bills amending the statute of limitation for medical malpractice. The committee approved one, S.F. 1394, and re-referred it to the Health and Family Security Committee.

S.F. 1394, authored by Sen. Warren Limmer (R-Maple Groves), establishes a special statute of limitations for certain medical malpractice actions. Limmer said the actions must commence within two years after the patient discovers or reasonably should have discovered the injury, cause, or malpractice. He said the bill specifies that no action can be brought more than six years after the date on which the limitation period began.

Limmer said current statutes bar lawsuits after the date of misdiagnosis rather than after discovery of malpractice--which is a common standard for most states. Limmer said his bill specifies three cases in which legal action can be commenced within two years--transmission of communicable disease by the provider to the patient, the misdiagnosis of malignant disease, and leaving a foreign object in a patient's body.

S.F. 2159, authored by Sen. Don Betzold (DFL-Fridley), is similar to Limmer's bill but does not specify the category of claims under the statute and sets a four year time limit.

Troy Donahue and Barb Iannazzo provided personal testimony in support of

Limmer's bill citing the loss of loved ones to cancer due to misdiagnosis and a faulty x-ray reading. In both cases, the current statute of limitations barred them from seeking legal redress.

Patricia Franklin, Minnesota Medical Association, and Bill Stoeri, Mayo Foundation, opposed both bills. They said lengthening the statute of limitations undermines the defense of doctors who must reconstruct events, find witnesses, and rely on faded memories. They said modifying current law may lead to increases in malpractice insurance premiums, a cost that might be passed on to consumers. Bob Tracy, Minnesota AIDS Project, had no position on the policy issue, but objected to Limmer's language regarding transmission of the HIV virus through patient contact. He said the language is discriminatory, undermines basic health policy and public awareness campaigns designed to rid the public of the notion that the virus is transmitted in this manner, and introduces the possibility of nuisance suits against HIV-infected health care workers.

After discussing the merits of both bills, the committee, chaired by Sen. Jane Ranum (DFL-Mpls.) decided in favor of Limmer's more restrictive language. The bill was re-referred to the Health and Family Security Committee.

Alcohol abuse bill okayed

The Judiciary Committee approved a bill, S.F. 3207, Wed., Feb. 18, that allows physicians to report a woman's abuse of alcohol during pregnancy under certain conditions. First Lady Susan Carlson said the bill provides "a tool to allow those with alcohol dependency problems to get ready access to the resources they need to overcome addiction."

Sen. Dave Knutson (R-Burnsville), author of S.F. 3207, said the bill before the committee has been significantly narrowed in focus and is a key component of the Fetal Alcohol Syndrome (FAS) Prevention Program. He said he deleted, in response to criticism levelled during previous committee meetings, a provision in the original bill that allows for a civil commitment proceeding if a pregnant woman who abuses alcohol refuses treatment. Knutson said the bill defines an abuser of alcohol as someone who has required detoxification treat-

ment and is determined to be an alcoholic through a validated chemical use assessment. Testifying in support of the bill, Carlson said the intent of the bill is not punitive, rather it is to get women into treatment quickly to protect children from the permanent effects of FAS.

Several Senators offered oral amendments, which were adopted, to clarify language dealing with a woman's knowledge of her pregnancy, her refusal to comply with chemical use assessments, and the privacy classification of the chemical abuse assessment or child welfare reports.

Sen. Linda Berglin (DFL-Mpls.) said she was disappointed that the focus of the bill had been narrowed. She said the language was not strong enough and did not go far enough to compel chemically-dependent women to seek treatment. Sen. Allan Spear (DFL-Mpls.) said the bill had no provisions to compel a woman into treatment if a woman does not comply. Berglin agreed with Spear and said, "there are too many loopholes for people who spend their lives avoiding the consequences of their actions."

The committee approved the bill and re-referred it to the Health and Family Security Committee.

Sen. Deanna Wiener (DFL-Eagan) presented S.F. 2677, a bill that modifies the Subcontractor's Bill of Rights passed last session. She said the League of Minnesota Cities and several contractor and building associations were supported the bill. The measure was approved and re-referred to the Commerce Committee.

S.F. 2725, authored by Sen. Don Betzold (DFL-Fridley), a county recorders and registrars-of title bill, was approved and sent to the floor. Betzold's S.F. 2583, a bill that amends the statute governing data of the Dept. of Economic Security, was approved and re-referred to the Jobs, Energy, and Community Development Committee. Rick Caliguiri, Dept. of Economic Security, said the bill allows the department to release names and addresses of employers to job seekers using the workforce center system.

K-12 Education Budget Division

Bills approved for omnibus

At a Mon., Feb. 16, meeting of the K-12 Education Budget Division, three bills

were approved for inclusion in the division's omnibus bill. Four bills were approved for further consideration after the division's supplemental budget and levy targets are determined.

The bills approved for the omnibus bill allow four school districts to transfer funds among their accounts. S.F. 2433, sponsored by Sen. Roger Moe (DFL-Erskine), permits ISD No. 2609, Win-E-Mac, to permanently transfer the balance of its health and safety account to its general fund. An amendment, offered by Sen. Arlene Lesewski (R-Marshall), allows ISD No. 418, Russell, to permanently transfer up to \$150,000 from its capital expenditure fund to the district's general fund. The bill, as amended, was approved for inclusion in the omnibus bill. S.F. 2755, sponsored by Lesewski, allows ISD No. 415, Lynd, to permanently transfer \$100,000 from reserve accounts in the general fund to the unreserved general fund. The bill was approved, but with the possibility that the language may be reworked. S.F. 2768, authored by Moe, allows ISD 2854, Ada-Borup, to use its health and safety revenue for capital improvements, equipment, or furnishings for new facilities. Moe said that because the high school in Ada-Borup was destroyed in last year's flood, the district is building a new school for \$13.5 million. The bill was approved for inclusion in the omnibus bill.

Moe sponsored a bill appropriating \$9.075 million from the general fund to the CFL commissioner for a disbursement grant for costs related to flooding in 1997 that are not covered by federal disaster relief, state match, or insurance proceeds. Committee Chair Sen. Lawrence Pogemiller (DFL-Mpls.) said the bill "is fulfilling our commitment made in last year's special session" to provide funds for disaster relief not covered by FEMA payments. Of the appropriated \$9.075 million, \$7.425 million is for ISD No. 595, East Grand Forks, \$1.25 million is for ISD 2854, Ada-Borup, and \$400,000 is for special school district No. 1, Minneapolis, for Edison High School. S.F. 3257 was approved for further consideration after the supplemental budget target is determined, but Pogemiller said the bill, because it is a special case, will be separate from other spending considerations.

Sen. Charles Wiger (DFL-North St.

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Paul) and Sen. Steven Novak (DFL-New Brighton) both sponsored bills permitting districts to use health and safety revenue for construction to replace portable classrooms. Wiger's bill, S.F. 2995, permits the use of health and safety revenue to replace a portable classroom if the district has held a hearing and adopted a resolution authorizing the replacement and construction, the project has received a favorable review and comment by CFL, and the district can demonstrate that the new construction is cost-efficient compared to making repairs to the portable classroom. Novak's bill, S.F. 2996, authorizes ISD 621, Mounds View, to use up to \$300,000 of its health and safety revenue to replace portable classrooms with new construction of classrooms. Nick Temali of Moundsview Public Schools, said portable classrooms were torn down after they developed a toxic mold problem last year, which has led to a shortage of classroom space in the district. Pogemiller said of the two bills, "I can see why you're trying for health and safety money for this, but it's a stretch." The members approved a motion for division staff to write an alternative proposal for school districts.

Sen. Don Samuelson (DFL-Brainerd) sponsored a bill appropriating \$500,000 from the bond proceeds fund for a grant to the city of Little Falls for design and capital improvements to the Little Falls Carnegie Library, contingent on a non-state match of \$500,000. S.F. 2864 was approved for further consideration after the division's levy target is determined.

Sen. Becky Lourey (DFL-Kerrick) sponsored a bill appropriating \$1.5 million from the bond proceeds fund for a grant to ISD No. 700, Hermannstown, for a community indoor sports/physical education complex with an indoor track. S.F. 2871 was approved for further consideration after the supplemental budget target is determined. Lourey also authored S.F. 2870, a bill to appropriate \$10,000 in FY 99 for a grant to ISD No. 93, Carlton, to develop a plan to coordinate district buildings and services. The division decided the bill will not be funded this year.

Sen. Charles Berg (IND-Chokio) sponsored S.F. 277, a bill appropriating \$3.85 million from the bond proceeds fund for a grant to ISD No. 378, Dawson-Boyd, to construct a cooperative educa-

tion and community center. No action was taken on the bill.

Education governance bills heard

The K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), heard three bills changing the state education governance structure at a meeting Tues., Feb. 17. The bills propose eliminating the State Board of Education, studying the entire school governance system, and prohibiting the board from taking final action on any desegregation rules it adopts. No action was taken on the bills.

Sen. Gen Olson (R-Minnetrista) presented S.F. 2059, which abolishes the State Board of Education and transfers almost all of its duties to the commissioner of children, families and learning (CFL). Olson said the bill puts accountability for education policy back on the Legislature. Bob Meeks of the School Board Association said the board has no official position on Olson's bill but that a recent poll of members showed strong support for the bill. Olson suggested delaying the effective date for eliminating the school board, if necessary.

Sen. Jerry Janezich (DFL-Chisholm) said he was more than willing to make tough decisions on education, but questioned whether a citizen Legislature has the time to give full consideration to all of the issues that are the State Board of Education's responsibility. Pogemiller suggested deleting a section of the bill giving the CFL commissioner the authority held by the State Board for developing the graduation rule in order to allow the board to finish its work in that area. He also recommended deleting a section establishing a definition of "racial segregation." A motion was approved for the bill to be re-drafted, eliminating the two sections.

Sen. Jane Krentz (DFL-May Township) authored a bill requiring the Coalition for Education Reform and Accountability to examine alternatives for restructuring the state's prekindergarten through grade 12 education system. S.F. 2978 requires the coalition to consider the roles of the Legislature, the Governor's Office, the State Board of Education, and the CFL Commissioner in making statewide policy and administrative decisions affecting prekindergarten through grade 12 education. Krentz said, "The issues go beyond just eliminating the state school

board." Jeanne Kling, acting president, State Board of Education, said the board supports a governance study. Meeks said the association would like to work with Krentz on her bill and are taking it "very seriously." No action was taken on the bill.

Sen. David Knutson (R-Burnsville) sponsored a bill permitting the State Board of Education to continue proceedings to adopt rules related to desegregation/integration and inclusive education. However, S.F. 2202 specifies the board cannot take final action to adopt the rules until specifically authorized by law. Knutson said he could not disagree with Kling that the board has provided important leadership on many issues, "but when it comes down to making law and setting policy, I think the Legislature is the body that has that responsibility," he said. No action was taken on the bill.

Sen. Steve Kelley (DFL-Hopkins) presented a bill permitting school boards to enter into employment contracts containing performance results the superintendent must achieve, including results affecting student achievement and attendance, and curriculum improvement. S.F. 2325 permits boards to set superintendents' salaries in excess of 95 percent of the governor's salary if the performance results are achieved. Sen. Sandra Pappas (DFL-St. Paul) sponsored a similar bill, S.F. 2969, which removes superintendents' salary caps. Susan Heegaard of CFL, said it is the governor's position that, "as CEO of the state, the governor should be the state's highest-paid official." The members decided not to approve either bill this year, but to consider them again next year.

Sen. Martha Robertson (R-Minnetonka) carried S.F. 2185, CFL's K-12 education administrative bill for 1998. The bill was approved for inclusion in the K-12 omnibus bill.

Sen. Steve Dille (R-Dassel) sponsored S.F. 3110, a bill appropriating \$100,000 in FY 99 from the general fund for a grant to special education cooperatives No. 52-937, Crow River, and No. 52-938, Meeker and Wright, for disability access improvements to conform to the Americans with Disabilities Act and for code compliance in school building space for the students served by the cooperatives. Dille said the funds were appropriated in a previous legislative session but were not spent so the appropriation was cancelled

and went back into the general fund. The bill will be considered further in the supplemental budget bill.

Sen. Becky Lourey (DFL-Kerrick) sponsored S.F. 2932, a bill modifying special education assessments to comply with federal law. The bill requires districts to ensure that the eligibility and needs of a child with a disability are determined by an initial assessment or a reassessment. The bill repeals the requirement of an assessment at least every three years and excludes an intellectual ability assessment if the two previous assessments are consistent and valid. S.F. 2932 was approved for inclusion in the K-12 omnibus bill.

Sen. Jim Vickerman (DFL-Tracy) sponsored a bill allowing the Red Rock school district to accelerate the schedule for reducing the number of school board members. S.F. 2690 was approved for inclusion in the omnibus bill. Sen. Hottinger sponsored S.F. 2210, a bill permitting ISD No. 508, St. Peter, to establish a school bank as part of an educational program. S.F. 2210 was approved for inclusion in the omnibus bill.

Sen. Martha Robertson (R-Minnetonka) sponsored S.F. 2472, the Special Education Joint Subcommittee Bill. The bill directs the governor to convene an interagency committee to develop and implement an interagency intervention system for disabled children. Robertson said the most controversial provision of the bill directs the state to pay each school district 70 percent of the special education litigation costs the district incurs. Robertson offered an amendment specifying the costs of mediation and litigation the qualify for state reimbursement. The bill, as amended, was approved for further consideration for inclusion in the omnibus bill.

Sen. David Knutson (R-Burnsville) sponsored S.F. 2940, a proposal to fill the gap in transitional services for students with learning disabilities. One section of the bill, which requires school districts to inform parents of students with disabilities of the full range of transitional goals and related services that should be considered by a school district when a student's individual education plan is being developed, was approved as an amendment to the Special Education Joint Subcommittee Bill. Other sections of the bill, allowing an institution that coordinates post-secondary programs with

residential programs to be eligible for the higher education grants-in-aid program, and appropriating funds for a grant to Minnesota Life College, were turned down. Sen. Linda Scheid (DFL-Brooklyn Park) sponsored a bill appropriating \$275,000 in FY 99 from the general fund for a grant to the Minnesota Council on Economic Education to provide staff development to teachers for the implementation of the state graduation standards in learning areas relating to economic education. S.F. 2528 was approved for further consideration when the supplemental budget target has been determined.

Labor Day start repeal approved

The K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), approved a bill repealing the prohibition against beginning the school year before Labor day and considered three proposals to change education funding formulas, Weds., Feb. 18.

Representatives of Minnesota tourism associations testified in opposition to a bill sponsored by Sen. Sheila Kiscaden (R-Rochester) that allows school districts to decide to start the school year before Labor Day. Ken Rockler of the Minnesota Association of Innkeepers, and Tom Newcombe, of the Minnesota Hospitality Trade Association, said a significant proportion of tourist-industry profits are made during Labor Day weekend. They predicted that starting the school year before Labor Day will negatively affect the industry. Bob Meeks of the Minnesota School Board Association said the association thinks the decision of when to start the school year should be made at the local level. Sen. Kenric Scheevel (R-Preston) said he agreed local school districts should be allowed to decide the first day of the school year. S.F. 3045 was approved and sent to the Senate floor.

Sen. Jane Ranum (DFL-Mpls.) presented S.F. 2665, a bill authored by Sen. Sandra Pappas (DFL-St. Paul), modifying education funding formulas. Curman Gaines, superintendent of St. Paul Public Schools, and Carol Johnson, superintendent of Minneapolis Public Schools, testified in support of the bill. Gaines said, "The bill supports our efforts to raise achievement among students at all levels."

The members decided not to adopt a section modifying the definition of

compensatory revenue pupil unit. The section would have changed the multiplier from .6 to 1.0 and added a weighting factor to the compensatory revenue pupil count for secondary pupils to adjust for the undercounting of secondary students who are eligible for a free or reduced price lunch.

Sections of the bill that were approved for inclusion in the omnibus bill extend a school district's ability to enter into an agreement from 1 year to 4 fiscal years at a time and include certificates of participation in the state program that guarantees the general obligation bonds that are sold by school districts. Sections approved for further consideration in the supplemental budget bill authorize a district to reserve up to 25 percent of its compensatory revenue for district-wide, site-based compensatory education programs, add \$30 million for FY 99 for graduation rule implementation aid, and appropriate \$3.2 million for an arts integration/Annenberg challenge grant for the Minneapolis school district. Sections approved for further consideration after levy targets are determined include authorizing the St. Paul school district to sell \$15 million per year in general obligation bonds for calendar years 1998 and 2000 without voter approval and permitting a levy for the St. Paul school district to pay the principal and interest payment for the bonds.

Sen. Don Betzold (DFL-Fridley) sponsored a bill establishing an alternative calculation for compensatory revenue pupil units. S.F. 2022 states that the compensation revenue pupil units for a building equal the product of the number of pupils enrolled in the building eligible to receive free lunch and one-half of the pupils eligible to receive reduced price lunch times the equal adjustment factor, times the compensation revenue pupil weighting factor for the building times the equity adjustment factor, times .60. According to the bill, the equity adjustment factor equals the ratio of the statewide percentage of pupils eligible to receive free or reduced price lunch to the district's percentage of pupils eligible to receive free or reduced price lunch.

The bill states a district qualifies for the equity adjustment factor if the district served more than 5,000 pupils eligible to receive free or reduced price lunch during the previous fiscal year and if the district's percentage of pupils

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eligible to receive free or reduced price lunch during the previous fiscal year is less than the statewide average percentage for that year. No action was taken on the bill. Sen. Don Samuelson (DFL-Brainerd) sponsored S.F. 2565, a bill increasing the general education formula and changing the referendum calculation. The bill was laid over.

Sen. Cal Larson (R-Fergus Falls) authored a bill funding the state aid deficiency in the secondary vocational education program by appropriating \$25.467 million to the program in the FY 98-99 biennium. Pogemiller said the appropriation is not among the governor's recommendations this year. S.F. 2530 was defeated but Pogemiller said the division would like to consider the appropriation next year.

A bill carried by Pogemiller, S.F. 2082, recodifying state education statutes, was approved and sent to the Senate floor. The recodification is a reorganization of education statutes which does not make any policy changes.

Local and Metropolitan Government

Bonding requests heard

The Local and Metropolitan Government Committee and the Economic Development Budget Division, chaired by Sen. Jim Vickerman (DFL-Tracy) and Sen. Tracy Beckman (DFL-Bricelyn) respectively, met Thurs, Feb. 12, to hear capital bonding requests from several municipalities.

Senators listened to a bonding request for the Central Minnesota Events Center, in St. Cloud. Minnesota Amateur Sports Commission (MASC) Executive Director Paul Erickson said the event center will seat as many as 18,000 people. He added that the facility will include a 140,000 square foot playing field/exhibit floor that may be used for football, soccer, tennis, volleyball, and basketball games as well as conventions and concerts.

Tom Duffy, chairman of MASC, said the events center is the biggest symbol of central Minnesota's emergence as a center for business, sports, entertainment, and cultural activities. Duffy said the state portion of the project's cost is \$25 million and that it will be matched by an additional \$25 million from the local community.

Sen. Sheila Kiscaden (DFL-Rochester) brought a bonding request before the committees to improve and expand the Rochester Mayo Civic Center, in Rochester. Kiscaden said the project's total cost is \$13.5 million with 9.7 million for expansion, \$3.1 million for renovation and \$550,000 to upgrade technology in the facility.

Kiscaden said since 1984 Rochester has made \$19 million in improvements to the center without using any state funds. She added that the 1998 request for the project is \$6.7 million.

Kiscaden also presented a proposal to build and renovate parts of the University Center Rochester. She said, in cooperation with the city of Rochester, the University Center plans a new system of interior roads linking the former community college and technical college campuses, plans to build a new field house and to expand the recreation and sports center.

Kiscaden said the mission of the University Center Rochester is to provide access to quality higher education in an environment of integrated partnerships. She added that the center is comprised of the Rochester Community and Technical College, University of Minnesota Rochester Center, and Winona State University Rochester Center. Kiscaden said project cost is \$10 million.

S.F. 2305, authored by Sen. Becky Lourey (DFL-Kerrick), appropriates \$1.9 million from the bonds proceeds fund to the city of Proctor to pay for half of the cost in constructing a community activity center. Lourey said the center will provide facilities for city government, a library, a museum, and other public functions.

S.F. 2721, authored by Sen. Steve Murphy (DFL-Red Wing), appropriates \$750,000 from the bonds proceeds fund to the city of Hastings for the construction of a municipal water park. Murphy said the state bond money is being matched by local and nonstate money to fund the project's \$1.8 million total cost. Murphy added that the community constructed a pool in the 1950s that had to be closed in 1994 because it could not be repaired.

Elected Met Council advanced

A bill providing that county commissioners are to serve as Metropolitan Council members and setting forth the

procedures for electing members of the Metropolitan Council was advanced by members of the Local and Metropolitan Government Committee at a hearing Mon., Feb. 16. The bill, S.F. 2670, authored by Sen. Carol Flynn (DFL-Mpls.), was re-referred to the Elections Committee without recommendation.

Flynn said that the bill was substantially different than a measure passed last year but vetoed by the governor. Under the bill, the Metropolitan Council is to consist of 25 members, except that the Legislature may increase or decrease the number of members by up to nine in order to increase the proportion of Metropolitan Council seats held by county commissioners as specified in the bill. Sylvia Winkelman, Inter Faith Action Council and Betty McKenzie, St. Paul Ecumenical Action Council, both spoke for the bill. They indicated that the election of council members is needed in order for the council to be more responsive to the region's residents. Curt Johnson, chair of the Metropolitan Council, said that the issue is one of accountability. Currently, the council is accountable to the governor and the Legislature, but not directly to the voters, Johnson said. Joe Harris, commissioner, Dakota County, said that he was concerned that an elected Met Council would serve as yet another layer of government. Harris also said that, in terms of population, an elected council would be the second largest unit of government in the state. Sen. Charles Wiger (DFL-North St. Paul) said that he questioned whether the best interests of a county and the best interests of the Metropolitan Council are always going to coincide. The motion to recommend the bill to pass was amended to recommend that the bill be re-referred to the Elections Committee without recommendation.

Another of Flynn's bills, S.F. 2346, was also debated by the panel. The bill provides for removing the age ceiling for new firefighters in Minneapolis. Currently law prohibits the hiring of anyone age 35 or over. Sen. Linda Higgins (DFL-Mpls.) offered an amendment, which was adopted, specifying that the executive director of the Minneapolis Civilian Police Review Authority be an unclassified position. In addition, Flynn offered a second amendment establishing a coordinating board for the Midtown Greenway project. The amendment was

adopted, the bill was approved and the measure was sent to the full Senate.

The committee, chaired by Sen. Jim Vickerman (DFL-Tracy), also heard a bill requiring the Metropolitan Mosquito Control District to notify citizens before applying pesticides. S.F. 2124, authored by Sen. Leo Foley (DFL-Anoka), was amended to require the Mosquito Control District to publish a newspaper advertisement announcing the application in a particular area, to establish a notification pilot project and to require a report on the notification process. The bill was approved and re-referred to the Agriculture and Rural Development Committee.

S.F. 2627, sponsored by Sen. Roger D. Moe (DFL-Erskine), was approved and sent to the full Senate. The bill provides that payments in lieu of taxes may be used for road maintenance in unorganized townships. S.F. 2717, carried by Sen. Steven Novak (DFL-New Brighton), directs the Metropolitan Council to establish corridor planning pilot projects for Highway 61 South and I-35W North corridors. According to Novak, a corridor plan is a subregional, multijurisdictional comprehensive plan for the area along a major transportation route through two or more municipalities. Novak said that the bill implements local development and redevelopment objectives in compliance with regional goals by establishing a cooperative working relationship between municipalities. The measure was approved and re-referred to the Jobs, Energy and Community Development Committee.

Finally, members also approved a bill making changes to municipal liability. S.F. 2853, carried by Sen. Pat Piper (DFL-Austin), was re-referred to the Judiciary Committee.

Gambling and lottery bills okayed

The Local and Metropolitan Government Committee met Wed., Feb. 18, and took action on both the gambling and lottery omnibus bills. The committee is chaired by Sen. Jim Vickerman (DFL-Tracy).

S.F. 2911, carried by Sen. Arlene Lesewski (R-Marshall), authorizes organizations to make expenditures and contributions through electronic fund transfers. A delete everything amendment, incorporating provisions from S.F. 1924, authored by Sen. Linda Runbeck

(R-Circle Pines), was adopted creating the omnibus gambling bill.

Runbeck said under current law, local units of government may receive up to 10 percent of net profits from gambling operations. She said the provisions of her bill, incorporated into S.F. 2911, add public purposes as an additional use to which the funds may be expanded.

S.F. 2804, sponsored by Sen. Michelle Fischbach (R-Paynesville), allows charitable organizations to use gambling proceeds for improvement of a structure to comply with the Americans with Disabilities Act (ADA). S.F. 2804 was also added to the omnibus gambling bill. The bill was approved as amended and sent to the Senate floor.

S.F. 2763, carried by Sen. Linda Scheid (DFL-Brooklyn Park) provides an incentive bonus plan for lottery retailers, deletes the use of religious themes or symbols for lottery games, and increases the amount of money the lottery can spend on advertising. Scheid said the bill also requires the director of the Minnesota State Lottery and unclassified employees to comply with the gift provisions of the ethical practices statute, and prohibits the lottery director and unclassified employees from representing any person before the Minnesota State Lottery for two years after leaving the lottery's employment. S.F. 2763 is the omnibus lottery bill.

Sen. John Marty (DFL-Roseville) proposed adding his bill, S.F. 2802, into the omnibus lottery bill. Marty said the bill prohibits the use of lottery funds for advertising. The motion was defeated by the committee.

S.F. 2763 was approved and sent to the Senate floor.

S.F. 2912, authored by Lesewski, expands those eligible to make sales of lawful gambling equipment to include employees eligible to make sales on behalf of a distributor. She added that the bill also sets the annual license fee at \$25 for an employee who is eligible to make sales. The bill was recommended to pass and re-referred to the Governmental Operations and Veterans Committee.

H.F. 2809, carried by Sen. Deanna Wiener (DFL-Eagan), requires a copy of the audited financial statement along with a management letter or other written findings or comments to be provided to each city council or town board member and mayor. She said the

statement must be provided no later than 30 days after the report is submitted. The bill was recommended to pass and sent to the Senate floor.

S.F. 3090, authored by Sen. David Ten Eyck (DFL-East Gull Lake), permits the dissolution of a town's subordinate service district by a proceeding that is initiated by a petition of 75 percent of the property owners in the district. Ten Eyck said the town board must then hold a public hearing and within 30 days after the hearing decide whether to dissolve the district. The bill was recommended to pass and sent to the Senate floor.

H.F. 2736, sponsored by Becky Lourey (DFL-Kerrick), allows cities to appropriate money for nonprofit organizations operating community food shelves. Lourey said the bill also extends the authority to counties and any nonprofit organization if the governing body determines that the appropriation is for a public purpose. The bill was recommended to pass and sent to the Senate floor.

S.F. 2689, carried by Sen. Sheila Kiscaden (R-Rochester), authorizes the city of Rochester to impose a one percent sales and use tax and an excise tax of not more than \$20 per motor vehicle. Kiscaden said 25 percent of the tax revenues are for higher education facilities and programs, and the balance is for infrastructure, cultural, and economic development activities. She added that if the plan is rejected by voters in a referendum, a revised plan may be proposed by the city council and submitted to voters. The bill was recommended to pass and re-referred to the Committee on Taxes.

S.F. 76, carried by Sen. Steven Morse (DFL-Dakota), proposes a constitutional amendment to extend the capture of 40 percent of proceeds from the Minnesota Lottery to be used for the Environmental and Natural Resources Trust Fund. Morse said the bill extends the capture of funds until 2050.

Morse said that the current trust fund stands at \$200 million and increases by about \$25 million per year. Morse added that the fund is invested and the approximately \$14 million in interest and dividends each year is spent on projects throughout the state. The bill was recommended to pass and re-referred to the State Government Finance Committee.

Committee update

Property Taxes and Local Government Budget Division

Property taxes discussed

Continuing the practice from previous meetings, Division Chair Sandra Pappas (DFL-St. Paul) told the Property Taxes and Local Government Budget Division that bills heard Fri., Feb. 13 would be considered for inclusion in the final division bill.

Numerous county commissioners, city managers, mayors, and councilmembers were present to speak on bills affecting their districts. Over half of the 14 bills heard during the four-hour meeting concern specific TIF projects. All but three of the bills were laid over for future consideration.

S.F. 3005, authored by Sen. Linda Scheid (DFL-Brooklyn Park), authorizes the establishment of TIF districts in Richfield subject to special rules. The bill helps the city alleviate problems created by a North-South runway to be built by the Metropolitan Airports Commission, said Bruce Nordquist, housing and redevelopment manager for Richfield. He said that once the runway is built, the resulting problems cannot be dealt with through various mitigation efforts, only through redevelopment. He said the runway would cause an estimated \$5.4 million loss of tax capacity. Opposition to the bill came from residents, who said they opposed any redevelopment and favored noise mitigation instead.

Another bill authored by Scheid, S.F. 2408, permits the establishment of a special tax taxing district for the Brookdale shopping center in Brooklyn Center, and provides taxing and other authority for the city. The bill was recommended for inclusion in the omnibus tax bill.

S.F. 2965, authored by Sen. William Belanger (R-Bloomington), permits Burnsville to impose a tax on admissions to an amphitheater bordering the Minnesota River and authorizes the creation of a TIF district for the amphitheater and its related infrastructure improvements.

S.F. 3099, authored by Sen. James Metzen (DFL-South St. Paul), authorizes some exceptions to requirements relating to the Signal Hills Redevelopment TIF district in West St. Paul. The bill exempts the district from reductions in

state aid if the district contributes an amount equal to 5 percent of the yearly tax increments from the district into a redevelopment account. The account could then be used for redevelopment projects in the South Robert Street Redevelopment TIF district. West St. Paul Mayor Michael Bisanz spoke on behalf of the bill, describing the bill's benefits for the Signal Hills Shopping Center.

S.F. 2637, authored by Sen. Linda Berglin (DFL-Mpls.), helps the development of the vacant Sears building in Minneapolis. The bill authorizes the establishment of a phased redevelopment TIF district for the Sears project and extends the district's term. The bill also reduces the local tax capacity of the district to zero and clarifies that the revenues expended pursuant to the requirements of the neighborhood revitalization program constitute a local contribution. "This is one of the most important projects for my district," said Minneapolis City Councilmember Brian Herron. He said the city is trying to revitalize Lake Street from the freeway all the way to the river. "This project is the springboard to some very important things," said Herron.

S.F. 1120, authored by Sen. Leo Foley (DFL-Anoka), extends the duration of TIF districts of the Coon Rapids economic development authority. The bill allows TIF revenues from existing development to fund the preservation of State Highway 242 and Anoka County Road 14.

A bill authored by Sen. Edward Oliver (R-Deephaven), S.F. 2121, permits the city of Deephaven to expend revenues from a TIF district that are unencumbered on the date of enactment, in order to finance replacement of a bridge located outside the district. Oliver said the bill was approved by the Senate last year, but was removed from consideration in conference committee.

S.F. 2507, authored by Sen. Leonard Price (DFL-Woodbury), authorizes the inclusion of property in Cottage Grove in tax increment districts, and extends the payment of deferred taxes if certain property is removed for green acres treatment.

Other bills heard dealt with the issues of property and mortgage deed taxes, and library bonding.

A bill authored by Pappas, S.F. 2218,

annually appropriates the entire proceeds of mortgage registry and deed transfer taxes paid to counties. The proceeds would then be given to the counties with the requirement that the monies be spent equally for property tax relief, housing development projects, and various redevelopment projects.

Belanger authored S.F. 3023, which permits the inclusion of information relating to transit levies in notices of proposed property tax levies. The bill was recommended for inclusion in the omnibus tax bill.

Sen. Keith Langseth (DFL-Glyndon) authored S.F. 2898, a bill prioritizing the use of the property tax reform account. The bill requires the money to be spent in one of the following areas; reducing the property tax target rates, increasing the state education aids to reduce property taxes, increasing the state's share of education funding to 70 percent, increasing the education homestead credit, or increasing the property tax refund.

S.F. 2686, authored by Sen. Jane Krentz (DFL-May Township), provides a property tax refund as a credit against income tax for certain owners of seasonal residential recreational property in Minnesota.

S.F. 2289, authored by Oliver, also deals with seasonal recreational property. The bill reduces the class rate on non-commercial seasonal recreational residential property valued over \$75,000 from its present rate of 2.5 percent. The rate would be reduced to 2.25 percent in taxes payable 1999, and to 2.0 percent in taxes payable 2000.

S.F. 2153, authored by Sen. Leo Foley (DFL-Anoka), authorizes the issuance of bonds for the construction of library buildings in Anoka County. The bill also authorizes a levy for debt retirement of the project. The bill was recommended for inclusion in the omnibus tax bill.

State Government Finance

Transportation funding bill gains

The State Government Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), reviewed the omnibus transportation supplemental budget bill at a hearing Tues., Feb. 17. The committee approved the measure and advanced it to the Senate floor.

The bill, S.F. 3298, carried by Sen.

Janet Johnson (DFL-North Branch), appropriates \$344,000 from the general fund, \$44.758 million from the trunk highway fund and \$50,000 from the highway user tax distribution fund for transportation and transit related purposes.

The Dept. of Public Safety receives \$4.391 million, under the bill, for additional Capitol Complex security staff, 25 additional state troopers and support staff, replacement and maintenance of communications equipment and for a vehicle registration and insurance study. The bill also provides \$435,000 for drivers' license and identification card cost increases. The measure appropriates \$40.061 million to the Dept. of Transportation for state road construction.

Johnson said the bill also changes the apportionment of the five percent of the net highway user tax distribution fund that is required by the constitution to be set aside for distribution. Under the bill, the 5 percent--about \$53 million--is distributed according to new percentages. The result is 30.5 percent apportioned to the town road account, 16 percent to the town bridge account and 53.5 percent to a new flexible highway account. Funds in the new flexible highway account are further distributed to the county turnback account, the municipal turnback account and the trunk highway fund, Johnson said.

Sen. Steve Dille, (R-Dassel), offered the only amendment. The amendment specifies that seat belt violations are a primary offense. The amendment, though, does not contain language requiring a minimum \$25 fine or that violations be reported to insurance companies. Dille said the amendment is designed to save lives and encouraged members to support it. The amendment was adopted with little debate. The bill was then advanced to the full Senate.

Committee on Taxes

Bills for omnibus heard

Consideration of bills for inclusion in the income and sales tax article of the omnibus tax bill was the top priority at the Weds., Feb. 18, meeting of the Committee on Taxes Subcommittee on Income and Sales Tax. The panel, chaired by Sen. Steve Murphy (DFL-Red Wing), heard 14 bills, all of which will be considered for this year's omnibus tax

measure. Author's presented their bills, testimony was taken and the bills were set aside for further action.

S.F. 3265, authored by Sen. Dallas Sams (DFL-Staples), authorizes the city of Detroit Lakes to impose an additional one half of one percent sales tax. Proceeds from the tax are to be used for a community center. Another bill authored by Sams, S.F. 3131, modifies the application of sales tax to the sales of manufactured homes. Currently, the tax on new manufactured homes used for residential purposes varies depending on whether the sale is considered the sale of tangible personal property or the sale of real property. Sams said that if the sale is considered real property, the tax is based on 65 percent of the dealer's cost of the home, but if it is considered tangible personal property the sale is taxed at 65 percent of the retail sale price of the home. Under the bill, Sams said, the tax for all new manufactured homes is changed to the dealer cost for homes used for residential purposes.

S.F. 3263, carried by Sen. Steven Novak (DFL-New Brighton), removes the sunset date for tax abatement of pari-mutuel pools. Currently, there is a tax imposed at a rate of six percent of the amount over \$12 million annually withheld from all pari-mutuel pools by the licensees. The abatement of the tax on the amount under \$12 million is scheduled to sunset July 1, 1999. The bill continues the exemption on the first \$12 million. S.F. 2388, authored by Sen. Keith Langseth, provides for the designation of five cities located on the Minnesota-North Dakota border as Border Development Zones. According to Langseth, the designation allows the cities to provide tax incentives that make the cities more competitive with their North Dakota counterparts. Langseth said that the difference in tax treatments between the two states was exacerbated by the devastation of last year's flood. According to Langseth the bill provides property and corporate tax incentives that will allow the cities of Breckenridge, East Grand Forks, Dilworth, Ortonville and Moorhead to attract new businesses and industries into the cities and rebuild the economy of the area. In addition, Langseth is sponsoring another bill, S.F. 2939, requires the commissioner of revenue to determine the amount of revenue derived from the state sales tax

that occurs in East Grand Forks and Breckenridge and remit that amount to the two cities.

S.F. 2654, carried by Sen. Steven Morse (DFL-Dakota), authorizes the city of Winona to impose a one-half of one percent sales tax to be used to pay the costs of dredging Lake Winona and for an industrial park fill project. S.F. 2689, authored by Sen. Sheila Kiscaden (R-Rochester), authorizes the city of Rochester to impose permanent a one-half of one percent sales and use tax for projects for higher education facilities, for improvement of infrastructure and for cultural facilities. S.F. 2887, sponsored by Sen. Steve Dille (R-Dassel), authorizes the city of Hutchinson to impose a one-half of one percent sales tax and a tax on food and beverages in order to do a variety of projects including a community center and recreational facilities to serve youth and seniors. S.F. 3171, carried by Sen. Dave Kleis (R-St. Cloud), authorizes spending to acquire and better public land and buildings and authorizes local option taxes for the construction and improvement of the Central Minnesota Events Center. S.F. 3216, authored by Sen. Dick Day (R-Owatonna), authorizes the city of Owatonna to impose a sales and use tax of one-half of one percent for constructing and operating facilities as part of Owatonna Economic Development 2000.

S.F. 3145, authored by Sen. John Hottinger (DFL-Mankato), provides for a state working family tax credit. Hottinger said that one of the results of last year's welfare reform measures is that families working their way off welfare often find that as their pay increases, their income stays the same or drops because of the increased tax burden. He said that the bill is aimed at alleviating the problem. S.F. 2965, sponsored by Sen. William Belanger (R-Bloomington), authorizes the city of Burnsville to impose a tax on admissions to a proposed amphitheater. S.F. 2327, sponsored by Sen. Tracy Beckman (DFL-Bricelyn), provides for an income tax credit for contributions by an employer for employee housing. Beckman said the bill was designed to help provide affordable housing throughout the state. S.F. 2749, carried by Sen. David Ten Eyck (DFL-East Gull Lake), authorizes the city of Bemidji to impose a sales and use tax of up to one percent for a regional conven-

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tion center in Bemidji. S.F. 3227, authored by Sen. Sandra Pappas (DFL-St. Paul), makes technical and minor changes in the job training program. The measure also adjusts the eligibility criteria for individuals who are served by the program.

Transportation

Task force bill approved

A bill establishing a dealer licensing and motor vehicle registration enforcement task force was approved at a Thurs., Feb. 12 meeting of the Transportation Committee.

S.F. 2600, sponsored by Committee Chair Carol Flynn (DFL-Mpls.), establishes the task force within the Department of Public Safety and requires it to investigate illegal activity in the sale and registration of motor vehicles. Task force investigations will be carried out by four members of the state patrol. The bill also requires the commissioner, together with the task force and representatives of the insurance industry, to study the number of uninsured motorists in Minnesota and the incidence of private passenger vehicles domiciled in Minnesota but registered in other states. The bill requires a report of the study's results to the governor and Legislature by Feb. 1999. The bill appropriates funds from the highway user tax distribution fund to the commissioner for fiscal year 1999 for the study. The bill was approved and sent to the Transportation Budget Division.

Sen. Allan Spear (DFL-Mpls.) authored a bill allowing advertisements to be placed on bike racks and bike storage facilities. S.F. 2729 allows advertisements, public art and informational signs to be placed on bicycle racks and storage facilities if authorized by a road authority. Lisa McDonald of the Minneapolis City Council, said that allowing advertisements on bike racks is part of the master plan for funding a bike-friendly system of transit in Minneapolis. Bill Schreiber of MnDOT said the department was concerned that the broad nature of the bill's language does not provide a rules process for controlling the advertising. He asked that the bill be amended to limit the advertisement exception to cities of the first class, and that it be governed by city ordinance, not by MnDOT. The amendment was adopted. The bill, as amended, was

approved and sent to the Senate floor.

Flynn carried a bill authorizing the Metropolitan Council to sell up to \$32.5 million in transit bonds. Sen. Sandra Pappas (DFL-St. Paul) offered an amendment to the bill requiring the Metro Council to consider incorporating a child care facility in a new transfer garage. Pappas said there is a tremendous absentee problem related to the child care needs of employees. According to the amendment, the purpose of the child care facility is to assist in the recruitment and retention of metropolitan transit drivers. The amendment was adopted and S.F. 3124 was approved and sent to the Committee on Taxes.

Sen. Randy Kelly (DFL-St. Paul) sponsored a bill directing the Dept. of Public Safety to study the desirability of allowing emergency vehicles to display blue lights to the front and rear and prohibiting other vehicles from displaying blue lights. The bill requires that the study be submitted to the Legislature by Jan. 15, 1999. The bill appropriates funds from the general fund to the commissioner for the study. S.F. 2420 was approved and sent to the Transportation Budget Division.

Pappas sponsored a resolution memorializing the President and Congress to enact the Aircraft Repair Station Safety Act of 1997. The Act provides for more stringent standards for certification of foreign repair stations by the Federal Aviation Administration and revokes the certification of any repair facility that knowingly uses defective parts. The Act also requires all maintenance facilities, whether domestic or foreign, to adhere to the same safety and operating procedures. S.F. 2786 was approved and sent to the Senate floor.

Sen. Paula Hanson (DFL-Ham Lake) sponsored a bill allowing a disabled person who owns two vehicles to obtain a second set of disability license plates. Under current law, a person who qualifies for special disability license plates may obtain no more than one set of special plates. Jack Wild of Driver and Vehicle Services, Dept. of Public Safety, said the Minnesota Council on Disabilities does not support the bill because it "opens up the door to more abuse." The bill was defeated.

Sen. David Knutson (R-Burnsville) sponsored a bill changing the definition of "regular route transit service" to state

that "the two scheduled runs for buses leaving a replacement transit service transit hub need not be on the same route" in order to qualify as a regular route. The bill changes the definition of a transit zone that surrounds a replacement transit service hub. The bill removes the prohibition of a property tax rate that applies to structures primarily used for retail from structures primarily used for retail that are in transit zones. S.F. 3024 was approved and re-referred to the Committee on Taxes.

Auto insurance bill approved

The Transportation Committee, chaired by Sen. Carol Flynn (DFL-Mpls.), met Weds., Feb. 18.

Sen. Douglas Johnson (DFL-Tower) sponsored a bill requiring insurers to reduce automobile insurance premiums by at least ten percent for drivers 30 and over who complete an accident prevention course. Current law requires the premium reduction for drivers 55 and older. Johnson said the bill provides more incentive for Minnesota drivers to attend an accident prevention course. He cited a 1992 study by the ITT Hartford Insurance Company that found the accident rate among policy holders fifty years and older declined over ten percent after taking an accident prevention course.

Flynn said she supported the bill because it increases the opportunity for drivers to save on auto insurance premiums as well as cut the accident rate. However, the accident prevention course curriculum and requirements need some beefing up, she said. Flynn said, when she took the course she didn't find the curriculum very valuable.

Sen. Claire Robling expressed concern that the bill might result in higher insurance premiums for drivers under 30 if the accident rate does not decline for drivers who take the course. Johnson responded that he felt the evidence strongly suggests that the accident rate will go down if the bill is passed. The bill was approved and sent the Senate floor.

Sen. Randy Kelly (DFL-St. Paul) sponsored S.F. 3046, a bill proposing a constitutional amendment to establish a transportation trust fund using all revenues from motor vehicle license taxes and 20 percent of the revenue from the motor vehicle sales tax. After

allocations to counties and cities with a population over 5,000 in the same amounts as they now receive from motor vehicle license taxes, the bill spends the remainder of the transportation trust fund primarily to match federal aid to state and local government for highways and transit. The bill transfers responsibility for paying for the state patrol from the trunk highway fund to the general fund and requires a minimum percentage of trunk highway spending each year to go to trunk highway construction and reconstruction.

Flynn said that if the funding provisions remain, the bill must go to the Transportation Budget Division, which has already approved its supplemental budget bill. Flynn offered an amendment deleting all but three sections of Kelly's bill. A section included in the amendment allows money in the surface transportation fund to be expended by appropriation for costs related to any state surface transportation purpose, including operating and capital assistance to transit, rail, and waterway systems, and construction, improvement, and maintenance of public highways. The second and third sections propose a constitutional amendment to establish a transportation trust fund using at least 25 percent of the net proceeds from a motor vehicle sales tax and require the constitutional amendment to be on the 1998 general election ballot. S.F. 3046, as amended, was approved and sent to the Senate floor.

Floor action

Seat belt bill stalls

A bill allowing law enforcement officers to issue citations for not wearing a seat belt as a primary offense failed to gain preliminary Senate approval during a floor session Mon., Feb. 16. The bill, S.F. 2187, is authored by Sen. Leo Foley (DFL-Anoka).

The bill was considered on General Orders. While on General Orders, the Senate acts as one large committee called "The Committee of the Whole." During General Orders, Senators may debate bills and offer amendments.

In his presentation of the bill, Foley said that the bill changes the violation from a secondary to a primary offense, sets \$25 as the minimum fine for a violation, and allows violations to be

recorded on a person's driving record. In defending the effectiveness of seat belt use, Foley said that in his 33 years as a state trooper, he never unbuckled a dead person from the scene of an accident.

Several Senators opposed the bill, with many saying that the bill encroaches on personal choice. They said that if a person chooses not to wear a safety belt and is injured in an accident, that person is the only victim. Sen. Bob Lessard (DFL-Int'l. Falls) said the bill is "chipping away at individual rights." Sen. Steve Murphy (DFL-Red Wing) compared the measure to an earlier law requiring motorcyclists to wear helmets. He said that the helmet law was repealed because it was not effective in increasing the use of helmets, but educational efforts were. Murphy said that similar educational programs, not a new law, would increase the use of seat belts.

Sen. Linda Berglin (DFL-Mpls.) spoke in favor of the bill. She said that five years ago it was estimated that enacting the legislation saves \$3 million per year in medical assistance costs by reducing the incidence of brain injuries.

Sen. Allan Spear (DFL-Mpls.) followed up on Berglin's point. He said that in the case of an accident resulting in a brain injury, it hurts everyone because everyone pays for the treatment.

The liability issue prompted Sen. Steven Morse (DFL-Dakota) to offer an amendment keeping violations as secondary offenses and the fine at \$25, but allowing violations to be reported on a driver's record. Morse said violation records should be available to auto insurance companies so that insurance premiums will reflect the potential liability. The motion was rejected on a divided vote.

Sen. Steve Dille (R-Dassel), a co-sponsor of the bill, said the bill "changes the environment" and will increase compliance with the seat belt law 10-14 percent. Based on statistics, he said that will save the lives of 30-45 Minnesotans each year. Dille urged colleagues to vote for the bill to save "heartache and pain." However, Foley's motion to grant the bill preliminary approval failed on a 27-33 roll call vote.

While on General Orders, the Senate approved eleven other bills. The bills include H.F. 2828, sponsored by Morse, making the state's drinking water supply law conform to the federal Clean Water

Act; S.F. 2047, sponsored by Sen. Steven Novak (DFL-New Brighton), allowing manufactured home park operators to sell up to five manufactured homes per year without a license; S.F. 2608, sponsored by Sen. Deanna Wiener (DFL-Eagan), raising the lifetime maximum benefit for MCHA enrollees to \$2 million and amending Medicare supplemental insurance provisions; S.F. 2417, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.) a resolution supporting the admission of Poland, the Czech Republic and Hungary to NATO; S.F. 2516, sponsored by Sen. Dan Stevens (R-Mora), modifying provisions for Department of Employee Relations experimental or research projects on state hiring practices; S.F. 2605, sponsored by Sen. Pat Piper (DFL-Austin), authorizing an agreement between Minnesota and the Nuclear Regulatory Commission for the disposal of radioactive medical waste; S.F. 2572, sponsored by Sen. Don Betzold (DFL-Fridley), adding to the definition of a child in need of protection or services; S.F. 2659, sponsored by Wiener, making changes to laws on life insurance company investment practices, long term care policies and the definition of chronically ill persons; S.F. 2192, sponsored by Sen. Dennis Frederickson (R-New Ulm), changing provisions on public corporations formed by political subdivisions and ratifying the formation of the Brown County Economic Development Corp. Members also granted preliminary passage to two bills, S.F. 2266 and S.F. 2570, both sponsored by Sen. William Belanger (R-Bloomington), making technical changes to the laws on petroleum and special fuels taxes, and on income, franchise, sales, excise, property and healthcare provider taxes respectively.

In other business, the Senate granted final passage to twelve bills on the Calendar. The bills include H.F. 2372, sponsored by Sen. Roger D. Moe (DFL-Erskine), exempting the reconstruction of the Bridges Medical Center in Norman County from competitive bid requirements; H.F. 2499, carried by Sen. Linda Higgins (DFL-Mpls.) providing for purchases that may be authorized by the Hennepin County board by rule; H.F. 2550, authored by Sen. Dallas Sams (DFL-Staples), providing for rural critical access hospitals; H.F. 2338 sponsored by Sen. James Metzen (DFL-South St. Paul),

Committee update

amending the Gulf War veterans bonus program to facilitate eligibility verification.

Also passed were S.F. 2149, carried by Sen. Linda Scheid (DFL-Brooklyn Park) providing for updated voter records; S.F. 908, authored by Sen. Edward Oliver (R-Deephaven), providing fiduciary provisions for trust companies and banks exercising trust powers and regulating interstate trust offices; S.F. 2621, carried by Sen. Kenric Scheevel (R-Scheevel), making technical changes in the Department of Economic Security; S.F. 2477, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), codifying reorganization order number 179 with respect to the Departments of Children, Families, and Learning and Economic Security.

In addition, the Senate passed S.F. 2302, also carried by Scheevel, clarifying the conduct of certain county elections; S.F. 2281, carried by Sen. Pat Pariseau (R-Farmington), clarifying the employment status of certain employees in Dakota county; and S.F. 2685, sponsored by Sen. Jim Vickerman (DFL-Tracy), allowing an officer of a local governmental unit to contract with the unit in certain circumstances.

The Senate also passed one bill on the Consent Calendar, S.F. 2478. Sen. Don Samuelson (DFL-Brainerd), sponsor of the measure, said that the bill reinstates the Savings Association Act.

Information Services

The Senate Information Office and the Office of the Secretary of the Senate are located in Room 231 of the Capitol. These offices distribute all public printed materials and handle inquiries about Senate committee meetings, Senate districts, Senate telephone numbers, bill reference numbers and status, and bill sponsorship. Interested citizens may also request copies of bills or ask to be put on the mailing list for Senate publications. If you want to know the name of your Senator or have any other questions about the Minnesota Senate, call 296-0504. The Senate Information Office has recently initiated toll-free telephone numbers to enable citizens of Greater Minnesota to obtain general information about the Minnesota Senate. The new telephone numbers are: 1-888-234-1112 (voice) and 1-888-234-1216 (TTY). Staff members are available to answer questions about the Senate and the legislative

process. For daily recorded updates on committee meetings, call the Senate Hotline at 296-8088.

Hearing interpreter services

The Legislative Coordinating Commission has contracted with the Minnesota Foundation for Better Hearing and Speech to provide sign language interpretive services for deaf and hard of hearing people during this legislative session. The foundation's coordinator for this project will maintain an office in Room 90 of the State Office Building.

Requests for ASL interpretive services should be directed to the coordinator at 282-2231 v/tty. Interpretive services are available to facilitate testimony, to interpret for those attending hearings, and to interpret for meetings between members and constituents.

Senate TV services

Television coverage of Senate and House floor sessions and selected committee meeting is again available in the Metro Area on broadcast TV.

KTCI, channel 17, will carry Senate and House programming during the daytime hours throughout the session. KTCI reaches about one million households in the Metro Area. In addition, this year Senate and House coverage is closed-captioned for hearing-impaired viewers of KTCI. The services will be extended to Greater Minnesota cable channels when statewide distribution begins in mid-March.

Capitol Report, the weekly legislative public affairs program produced by Senate Media Services, will air on the PBS broadcast network throughout the state this year. The programs air: 9:30 p.m. Tuesdays on KTCI 17, Twin Cities.
11:30 a.m. Sundays on KWCM 10, Appleton.
11:30 a.m. Sundays on KSMQ 15, Austin.
11:30 a.m. Sundays on KAWA 9, Bemidji. 11:30 a.m. Sundays on KAWB 22 Brainerd.
12:30 p.m. Sundays on WDSE 8, Duluth.

The Senate on the world wide web

Now there is another way to get information about the Minnesota Legislature. In a joint effort, the Legislative Reference Library, the Office of the

Revisor of Statutes, the Senate and the House of Representatives have established a World Wide Web home page.

At present, the site contains the texts of House and Senate bills, bill status information, biographical material about members, district maps for each member's district, current daily and weekly schedules, House and Senate Journals, the complete Minnesota Statutes, committee membership lists and more. To access the Legislature's World Wide Web page, simply point your browser to: <http://www.leg.state.mn.us>

The Legislature's World Wide Web site is a dynamic entity and more information items are being added. The Web site makes an incredible amount of information instantly available to anyone who has computer on-line capabilities.

Listserv available

The Senate has established a "listserv" to automatically send daily committee schedules to subscribers with Internet e-mail access. The service is designed to make it easier for the public to receive information about Senate committee schedules.

Individuals may subscribe to the Senate listserv at any time and the schedules will be e-mailed on a daily basis. In cases of a major change in the schedule, an updated schedule message will also be sent to the listserv mailing list.

To subscribe to the Senate listserv simply send an e-mail message to:

listserv@senate.leg.state.mn.us

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You will receive a welcome message along with information about how to unsubscribe from the listserv. Subscribers may leave the e-mail mailing list at any time by following those instructions. In addition, most Senate committees maintain schedule listservs. Please contact the committee directly for subscription directions. It is necessary to subscribe to each list separately.

Most Senators use e-mail service as well. Their e-mail addresses can be found on their biographical information pages in the Senate web site.

Preview

Saturday, February 21

K-12 Education Budget Division

Chair: Sen. Lawrence Pogemiller

9 a.m. Room 112 Capitol

Agenda: Auditor's report on remedial education. S.F. 3312-Junge: Creating model technology. S.F. 2841-Krentz: Equity provisions. S.F. 2580-Hanson: Equity provisions, alternative calculation for compensatory. S.F. 2544-Hanson: Equity provisions. S.F. 2133-Scheid: Alternative calculation for compensatory revenue. S.F. 2169-Langseth: Modifying referendum equalization revenue. S.F. 2456-Krentz: Removing match for gifted and talented. S.F. 2573-Scheid: First grade preparedness. S.F. 2604-Ranum: All day kindergarten. S.F. 2647-Wiger: Permanent school fund. S.F. 3009-Foley: Class size reduction. S.F. 3102-Pappas: Funding for urban educator program. S.F. 3155-Price: Funding for three day provision. S.F. 3157-Price: Funding for class size reduction. S.F. 3158-Price: All day kindergarten. S.F. 3198-Krentz: Waiving statutory requirements for schools with no inflationary increase. S.F. 3060-Scheid: Modifying requirements for membership on Board of Teaching. S.F. 3150-Pogemiller: Repeal of three days. S.F. 3278-Knutson: Teacher training to enhance graduation rule. S.F. 3309-Pogemiller: Grant for remote site consulting services. S.F. 3308-Pogemiller: Education and employment transition grants. S.F. 3287-Krentz: Enhancing educational opportunities intermediate school programs. S.F. 3331-Pogemiller: Staff development. Other bills to be announced. Report from CFL regarding statewide testing.

Monday, February 23rd

Senate is in session at 9 a.m.

Human Resources Finance Committee

Chair: Sen. Linda Berglin

3 p.m. Room 125 Capitol

Agenda: S.F.xxxx-Beckman: Omnibus economic development bill.

Taxes Subcommittee on Income and Sales Tax

Chair: Sen. Steve Murphy

3 p.m. Room 15 Capitol

Agenda: Income and sales tax articles of the omnibus tax bill.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

6:30 p.m. Room 318 Capitol

Agenda: Capital budget.

Governmental Operations Budget Division

Chair: Sen. Leonard Price

7 p.m. Room 107 Capitol

Agenda: Capital bonding bill.

Tuesday, February 24th

Senate is in session at 9 a.m.

Human Resources Finance Committee

Chair: Sen. Linda Berglin

3 p.m. Room 125 Capitol

Agenda: Bonding recommendations.

State Government Finance Committee

Chair: Sen. Richard Cohen

3 p.m. Room 107 Capitol

Agenda: Bonding recommendations.

Wednesday, February 25th

Senate is in session at 9 a.m.

Human Resources Finance Committee

Chair: Sen. Linda Berglin

3 p.m. Room 125 Capitol

Agenda: Bonding recommendations.

State Government Finance Committee

Chair: Sen. Richard Cohen

3 p.m. Room 107 Capitol

Agenda: Bonding recommendations.

Joint House/Senate Subcommittee on Claims

Chairs: Sen. Randy Kelly, Rep. Edgar Olson

4 p.m. Room 500S S.O.B.

Agenda: Claims against the Dept. of Agriculture and the Dept. of Labor & Industry.

Thursday, February 26th

Senate is in session at 9 a.m.

Human Resources Finance Committee

Chair: Sen. Linda Berglin

3 p.m. Room 15 Capitol

Agenda: Bonding bill - action will be taken.

State Government Finance Committee

Chair: Sen. Richard Cohen

3 p.m. Room 107 Capitol

Agenda: Bonding recommendations.

Friday, February 27th

Rules and Administration Committee

Chair: Sen. Roger D. Moe

8 a.m. Room 123 Capitol

Agenda: To be announced.

Senate is in session at 9 a.m.

1998 Senate Committee Assignments

Policy Committees

Agriculture and Rural Development (15)

Chair: Sams **Vice Chair:** Hanson
Office: 328 Capitol **Phone:** 296-7405
Meets: Tues., Thurs., 2-3:45 p.m.; Room 107

Members:
 Beckman Johnson, D.E. Morse Vickerman
 Berg Lesewski Murphy
 Dille Lessard Piper
 Fischbach Lourey Scheevel

Children, Families and Learning (32)

Co-Chairs: Piper, Pogemiller, Stumpf
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 15

Members:
 Foley Knutson Neuville Solon
 Hanson Krentz Olson Ten Eyck
 Higgins Langseth Pappas Terwilliger
 Janezich Larson Ranum Wiener
 Junge Lesewski Robertson Wiger
 Kelley, S. P. Lourey Robling
 Kiscaden Marty Scheevel
 Kleis Murphy Scheid

Commerce (16)

Chair: Solon **Vice Chair:** Wiener
Meets: Tues., Thurs., 2-3:45 p.m.; Room 112
Office: 303 Capitol **Phone:** 296-5776

Members:
 Belanger Kleis Novak Scheid
 Cohen Larson Oliver Spear
 Day Marty Runbeck
 Hottinger Metzen Samuelson

Crime Prevention (17)

Chair: Spear **Vice Chair:** Johnson, D.H.
Meets: Mon., Weds., Fri., 2-3:45 p.m.; Room 15
Office: 120 Capitol **Phone:** 296-4191

Members:
 Anderson Foley Knutson Neuville
 Beckman Junge Krentz Ranum
 Belanger Kelly, R.C. Laidig Ten Eyck
 Berglin Kleis Limmer

Election Laws (11)

Chair: Marty **Vice Chair:** Junge
Meets: Mon., Weds., 12 noon-1:45 p.m.; Room 112
Office: 326 Capitol **Phone:** 296-5712

Members:
 Flynn Johnson, D.J. Ourada
 Frederickson Larson Sams
 Johnson, D.E. Moe, R.D. Scheid

Environment and Natural Resources (19)

Chair: Lessard **Vice Chair:** Anderson
Office: 111 Capitol **Phone:** 296-1113
Meets: Mon., Weds., Fri., 12 noon-1:45 p.m.; Room 107

Members:
 Berg Krentz Pariseau Stumpf
 Dille Laidig Pogemiller Vickerman
 Frederickson Morse Price
 Higgins Novak Samuelson
 Johnson, J.B. Olson Stevens

Governmental Operations and Veterans (15)

Chair: Metzen
Office: 303 Capitol **Phone:** 296-4175
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds., 10-11:45 a.m.; Room 15

Members:
 Berg Morse Runbeck Wiener
 Betzold Pogemiller Stevens Wiger
 Cohen Price Stumpf
 Fischbach Robertson Terwilliger

Health and Family Security (17)

Chair: Hottinger **Vice Chair:** Lourey
Office: 120 Capitol **Phone:** 296-1323
Meets: Tues., Thurs., Fri., 10-11:45 a.m.; Room 15

Members:
 Berglin Foley Robertson Stevens
 Betzold Kiscaden Sams Ten Eyck
 Dille Morse Samuelson Terwilliger
 Fischbach Piper Solon

Jobs, Energy and Community Development (20)

Chair: Novak **Vice Chair:** Kelley, S.P.
Office: 322 Capitol **Phone:** 296-1767
Meets: Tues., Thurs., Fri., 10-11:45 a.m.; Room 107

Members:
 Anderson Johnson, D.H. Limmer Pariseau
 Beckman Johnson, D.J. Metzen Runbeck
 Frederickson Johnson, J.B. Murphy Scheevel
 Higgins Kelly, R. C. Oliver
 Janezich Lesewski Ourada

Judiciary (13)

Chair: Ranum **Vice Chair:** Betzold
Office: 306 Capitol **Phone:** 296-0249
Meets: Mon., Weds., Fri., 12 noon-1:45 p.m.; Room 15

Members:
 Berglin Foley Limmer Ten Eyck
 Cohen Kiscaden Neuville Wiener
 Fischbach Knutson Spear

Local and Metropolitan Government (17)

Chair: Vickerman **Vice Chair:** Higgins
Office: 226 Capitol **Phone:** 296-4150
Meets: Mon., Weds., Fri., 2-3:45 p.m.; Room 107

Members:
 Day Langseth Olson Robling
 Flynn Lessard Pappas Scheevel
 Hottinger Lourey Pariseau Wiger
 Kelley, S.P. Oliver Price

Rules and Administration (22)

Chair: Moe, R.D. **Vice Chair:** Junge
Office: 208 Capitol **Phone:** 296-2577
Meets: On call

Members:
 Belanger Johnson, D.E. Lessard Pogemiller
 Berglin Johnson, D.J. Metzen Samuelson
 Cohen Laidig Novak Solon
 Day Langseth Olson Spear
 Frederickson Larson Piper Stumpf

Transportation (16)

Chair: Flynn
Office: 120 Capitol
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds. 10-11:45 a.m.; Room 112
Members:

Belanger	Johnson, D.H.	Laidig	Robling
Day	Johnson, D.E.	Langseth	Sams
Hanson	Johnson, J.B.	Ourada	
Janezich	Kelly, R.C.	Pappas	

Vice Chair: Murphy
Phone: 296-5099

Budget Divisions**Crime Prevention and Judiciary Budget Division (13)**

Chair: Kelly, R.C.
Office: 323 Capitol
Meets: Mon., Weds., Fri., 2-3:45 p.m.; Room 15

Members:

Anderson	Junge	Neuville	Ten Eyck
Beckman	Knutson	Ranum	
Belanger	Laidig	Spear	
Betzold	Limmer		

Economic Development Budget Division (14)

Chair: Beckman
Office: 124G Capitol
Meets: TBA

Members:

Anderson	Kelly, R.C.	Novak	Wiener
Higgins	Larson	Oliver	
Janezich	Lesewski	Ourada	
Johnson, D.H.	Murphy	Runbeck	

Environment and Agriculture Budget Division (12)

Chair: Morse
Office: G-24 Capitol
Meets: Mon., Weds., Fri., 12 noon-1:45 p.m.; Room 107
Members:

Berg	Johnson, J.B.	Lessard	Stumpf
Dille	Krentz	Pariseau	Vickerman
Frederickson	Laidig	Price	

Family and Early Childhood Education Budget Division (9)

Chair: Piper
Office: G-9 Capitol
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 15

Members:

Higgins	Lesewski	Marty	Terwilliger
Janezich	Lourey	Robling	

Governmental Operations Budget Division (11)

Chair: Price
Office: 235 Capital
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds., 10-11:45 a.m.; Room 15

Members:

Betzold	Marty	Runbeck	Wiger
Cohen	Metzen	Scheid	
Frederickson	Robertson	Stevens	

Health and Family Security Budget Division (14)

Chair: Samuelson
Office: 124 Capitol
Meets: Tues., Thurs., Fri., 10-11:45 a.m.; Room 15

Members:

Berglin	Hottinger	Piper	Terwilliger
Dille	Kiscaden	Sams	
Fischbach	Lourey	Solon	
Foley	Morse	Stevens	

Higher Education Budget Division (9)

Chair: Stumpf
Office: G-24 Capitol
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 107

Members:

Kelley, S. P.	Kleis	Murphy	Wiener
Kiscaden	Larson	Solon	

K-12 Education Budget Division (15)

Chair: Pogemiller
Office: 235 Capitol
Meets: Tues., Weds., Fri., 8-9:45 a.m.; Room 112
Members:

Hanson	Krentz	Pappas	Scheid
Janezich	Langseth	Ranum	
Junge	Neuville	Robertson	
Knutson	Olson	Scheevel	

Property Taxes and Local Government Budget Division (13)

Chair: Pappas
Office: 120 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 15

Members:

Day	Kelley, S.P.	Pariseau	Vickerman
Flynn	Novak	Pogemiller	
Hottinger	Oliver	Price	
Johnson, D.J.	Olson	Scheevel	

Transportation Budget Division (10)

Chair: Johnson, J.B.
Office: G-9 Capitol
Meets: Tues., Thurs., 12 noon-1:45 p.m.; Weds. 10-11:45 a.m.; Room 112
Members:

Belanger	Hanson	Langseth
Day	Johnson, D.E.	Ourada
Flynn	Johnson, D.H.	Sams

Taxes and Finance Committees**Committee on Taxes (23)**

Chair: Johnson, D.J.
Office: 205 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 15

Members:

Anderson	Hottinger	Novak	Price
Belanger	Kelley, S.P.	Oliver	Runbeck
Berg	Knutson	Olson	Vickerman
Betzold	Lesewski	Pappas	
Day	Marty	Pariseau	
Flynn	Murphy	Pogemiller	

Education Finance Committee (13)

Chair: Langseth
Office: 122 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 123

Members:

Foley	Johnson, D.E.	Piper	Scheevel
Hanson	Larson	Robertson	Wiger
Higgins	Moe, R.D.	Robling	

Human Resources Finance Committee (15)

Chair: Berglin
Office: 309 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 112

Members:

Beckman	Kleis	Samuelson	Terwilliger
Johnson, D.H.	Lourey	Spear	
Kelly, R.C.	Neuville	Stevens	
Kiscaden	Ranum	Ten Eyck	

State Government Finance Committee (16)

Chair: Cohen
Office: 317 Capitol
Meets: Mon., Tues., Weds., Thurs., Fri., 4-6 p.m.; Room 107

Members:

Dille	Junge	Metzen	Stumpf
Fischbach	Laidig	Morse	Wiener
Frederickson	Lessard	Ourada	
Johnson, J.B.	Limmer	Solon	

Minnesota Senate 1998

Party	Phone	Name	Room	Dist.	Party	Phone	Name	Room	Dist.
DFL	296-5537	Anderson, Ellen R.	G-24 Cap.	66	DFL	6-5645	Marty, John	325 Cap.	54
DFL	6-5713	Beckman, Tracy L.	124B Cap.	26	DFL	6-4370	Metzen, James P.	303 Cap.	39
R	6-5975	Belanger, William V.	113 SOB	41	DFL	6-2577	Moe, Roger D.	208 Cap.	2
IND	6-5094	Berg, Charles A.	G-51 SOB	13	DFL	6-5649	Morse, Steven	G-24 Cap.	32
DFL	6-4261	Berglin, Linda	309 Cap.	61	DFL	6-4264	Murphy, Steve	301 Cap.	29
DFL	6-2556	Betzold, Don	306 Cap.	48	R	6-1279	Neuville, Thomas M.	123 SOB	25
DFL	6-5931	Cohen, Richard J.	317 Cap.	64	DFL	6-4334	Novak, Steven G.	322 Cap.	52
R	6-9457	Day, Dick	147 SOB	28	R	6-4837	Oliver, Edward C.	121 SOB	43
R	6-4131	Dille, Steve	103 SOB	20	R	6-1282	Olson, Gen	119 SOB	34
R	6-2084	Fischbach, Michelle L.	149 SOB	14	R	6-5981	Ourada, Mark	145 SOB	19
DFL	6-4274	Flynn, Carol	120 Cap.	62	DFL	6-1802	Pappas, Sandra L.	120 Cap.	65
DFL	6-4154	Foley, Leo T.	G-9 Cap.	49	R	6-5252	Pariseau, Pat	109 SOB	37
R	6-8138	Frederickson, Dennis R.	139 SOB	23	DFL	6-9248	Piper, Pat	G-9 Cap.	27
DFL	6-3219	Hanson, Paula E.	328 Cap.	50	DFL	6-7809	Pogemiller, Lawrence J.	235 Cap.	59
DFL	6-9246	Higgins, Linda I.	227 Cap.	58	DFL	7-8060	Price, Leonard R.	235 Cap.	57
DFL	6-6153	Hottinger, John C.	120 Cap.	24	DFL	7-8061	Ranum, Jane B.	306 Cap.	63
DFL	6-8017	Janezich, Jerry R.	328 Cap.	5	R	6-4314	Robertson, Martha R.	125 SOB	45
DFL	6-9261	Johnson, Dave	111 Cap.	40	R	6-4123	Robling, Claire A.	151 SOB	35
R	6-3826	Johnson, Dean E.	117 SOB	15	R	6-1253	Runbeck, Linda	107 SOB	53
DFL	6-8881	Johnson, Douglas J.	205 Cap.	6	DFL	7-8063	Sams, Dallas C.	328 Cap.	11
DFL	6-5419	Johnson, Janet B.	G-9 Cap.	18	DFL	6-4875	Samuelson, Don	124 Cap.	12
DFL	6-2889	Junge, Ember R.	205 Cap.	46	R	6-3903	Scheevel, Kenric J.	129 SOB	31
DFL	7-8065	Kelley, Steve	321 Cap.	44	DFL	6-8869	Scheid, Linda	317 Cap.	47
DFL	6-5285	Kelly, Randy C.	323 Cap.	67	DFL	6-4188	Solon, Sam G.	303 Cap.	7
R	6-4848	Kiscaden, Sheila M.	135 SOB	30	DFL	6-4191	Spear, Allan H.	120 Cap.	60
R	6-6455	Kleis, Dave	143 SOB	16	R	6-8075	Stevens, Dan	105 SOB	17
R	6-4120	Knutson, David L.	133 SOB	36	DFL	6-8660	Stumpf, LeRoy A.	G-24 Cap.	1
DFL	6-7061	Krentz, Jane	235 Cap.	51	DFL	6-4913	Ten Eyck, David J.	G-24F Cap.	4
R	6-4351	Laidig, Gary W.	141 SOB	56	R	6-6238	Terwilliger, Roy	115 SOB	42
DFL	6-3205	Langseth, Keith	122 Cap.	9	DFL	6-5650	Vickerman, Jim	226 Cap.	22
R	6-5655	Larson, Cal	153 SOB	10	DFL	7-8073	Wiener, Deanna L.	303 Cap.	38
R	6-4125	Lesewski, Arlene J.	131 SOB	21	DFL	6-6820	Wiger, Charles W.	325 Cap.	55
DFL	6-4136	Lessard, Bob	111 Cap.	3	Capitol address: 75 Constitution Avenue				
R	6-2159	Limmer, Warren	127 SOB	33	State Office Building address: 100 Constitution Avenue				
DFL	6-0293	Lourey, Becky	G-9 Cap.	8	St. Paul, MN 55155				

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Senate Briefly

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Photo by Andrea Murrill.



February 27, 1998

Senate Highlights

Omnibus tax bill approved

The Senate's omnibus tax proposal for this year provides \$412 million in tax relief for Minnesota citizens. Tax Committee Chair Douglas Johnson (DFL-Tower) said, "The bill is a good beginning. It provides significant property tax relief to taxpayers, compresses property tax rates, and lives up to years of promises to your constituents."

Johnson presented articles of the bill relating to the budget reserve, taconite taxes, and border development zones. Sen. Sandra Pappas (DFL-St. Paul), who chairs the Property Taxes and Local Government Budget Division, presented articles of the bill relating to property taxes. Income and franchise taxes articles were presented by Sen. Steve Murphy (DFL-Red Wing), who chairs the Taxes Subcommittee on Income and Sales Tax.

Johnson offered an author's amendment making technical changes in the bill and including amendments approved by the Tax Committee the previous night. The amendment was adopted.

Sen. William Belanger (R-Bloomington) offered an amendment he said gives \$903.1 million back to Minnesota citizens. The amendment includes a

provision increasing the education homestead credit from 32 percent to 66 percent, 10 percent higher than a similar provision in the omnibus tax bill. The amendment also includes sections from the governor's property tax reform proposal, and provisions compressing property tax class rates and lowering the vehicle registration tax. Sen. Michelle Fischbach (R-Paynesville) said the state's vehicle registration tax is too high and that lowering it will stop Minnesotans from registering their vehicles in nearby states where the vehicle registration tax is lower. Sen. Keith Langseth said Minnesota is actually slightly below the national average in the amount vehicles are taxed if both the registration tax and the personal property tax on vehicles are considered. Sen. Dick Day (R-Owatonna) called for "some semblance of commonsense on taxes in Minnesota," and urged his colleagues to hold down their "insatiable appetites to spend taxpayers' money." Johnson said, "My bottom-line objection is the way this is designed. . . . Even Arne Carlson thinks this will get the state into financial problems in the future." The amendment failed on a 22-38 roll-call vote.

Sen. Linda Runbeck (R-Circle Pines)

offered an amendment that she said, gives a broad-based, permanent income tax cut to return some of this year's budget surplus to taxpayers. The amendment cuts 13-18 percent from the income tax bills of families with incomes from \$30,000-\$75,000, saving middle-income taxpayers a total of \$1.1 billion over the current budget cycle, said Runbeck. Runbeck said state spending must be reduced, and "cutting taxes is the only way to reduce spending." Sen. Roger Moe (DFL-Erskine) said the "glitch" in Runbeck's amendment is that the Legislature has a \$1.1 billion capital budget request from the administration. While the omnibus bill does provide tax relief, some of the surplus should be used to pay cash for capital budget items, he said. Moe said some would argue that the state has a budget surplus because the Legislature has delayed investments that are needed for the welfare of the state, and he called Runbeck's proposal "instant gratification." Sen. Gen Olson responded that the state has had a budget surplus of over \$4 billion in the current biennium and increases in the annual budget over twice the rate of inflation. Sen. Edward Oliver (R-Deephaven) offered an amendment conforming state treatment of Roth IRAs to federal law. Sen. Steve Kelley (DFL-Hopkins) argued against the amendment and said that the Roth IRA is bad tax policy to begin with and that conforming state law is also bad policy. The amendment failed 31-33.

Sen. Lawrence Pogemiller (DFL-Mpls.) offered an amendment extending a tax break to golf courses if they do not require a customer who is able to walk the course to use, or pay for, a motorized golf cart. Pogemiller said the amendment will allow "free choice" to the customers who prefer to walk or use a caddy rather than ride in a golf cart. The amendment was adopted.

The bill was approved on a 50-13 roll-call vote. The bill was then laid on the table, pending passage of the omnibus tax bill in the House of Representatives.

K-12 omnibus bill approved

The K-12 Education omnibus bill was approved Tues., Feb. 24, by the Children, Families and Learning Committee, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), Sen. Lawrence Pogemiller (DFL-Mpls.), and Sen. Pat Piper (DFL-Austin).

Senate Briefly is a bipartisan publication of the Minnesota Senate Publications Office. During the 1998 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee.

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Pogemiller, who chairs the K-12 Education Budget Division, presented the omnibus bill, which appropriates a total of \$65.994 million in funding for K-12 education over the FY 98-99 biennium and \$90.1 million in FY 99 for additional aid in order to eliminate the property tax recognition shift.

The first article of the bill contains several sections simplifying school levies. A provision appropriates \$1.916 million for one-time additional compensatory revenue for school districts based on free and reduced lunch counts, \$14.488 million for a school district equity adjustment, and \$530,000 to make compensatory and basic skills funding changes.

Pogemiller offered an amendment to delete a provision of the article that reduces state aid payments to school operating funds for each district by the amount equal to 1.64 percent of salaries paid to members of the Teachers Retirement Association during three months in 1998. The amendment was approved.

The second article includes changes to K-12 special education that are the result of a bill written by the Joint House and Senate Subcommittee on Special Education. Pogemiller said the changes "are an attempt to reduce the level of paperwork and litigation related to special education, while at the same time drawing down federal Medicaid reimbursement funds for services provided in a school setting that are normally covered in health plans."

There is a provision appropriating \$200,000 in FY 99 to allow a school district to pay or reimburse copayments, and other enrollee cost-sharing amounts on behalf of the student or family in order to better collect third-party payments. A provision directs the state to pay for 70 percent of the neutral costs associated with due process hearings in special education cases, which does not include the district's attorney or legal fees. There is an appropriation of \$500,000 in FY 99 for special education litigation costs. A provision increases the FY 99 appropriation for first grade preparedness from \$5 million to \$10 million. There is also an increase in the 1998 appropriation from \$400,000 to \$1.1 million for grants for education programs serving homeless students.

Provisions in the third article appropriate \$60,000 in FY 99 for the Minnesota Library for the Blind and Physically

Handicapped in order to purchase an online catalog and \$250,000 in FY 99 to establish five special education intervention demonstration projects.

Several sections in the fourth article roll various facility revenue and levy programs into one equalized facilities program. A provision appropriates \$1 million to school districts for reimbursement of additional construction costs incurred as a result of compliance with changes in the prevailing wage law last year. There is an appropriation of \$2.2 million in FY 99 to carry over the appropriation for losses related to the 1997 floods and \$10.075 million for unfunded flood-related costs.

The fifth article includes appropriations for implementation of the graduation rule. There is an appropriation of \$14.4 million in FY 99 for staff training related to graduation rule implementation and \$3.3 million in FY 99 for grants for the development of learning resources related to the graduation rule. Provisions increase the appropriation for charter school building lease aid and charter school start-up grants. A section increases the FY 99 appropriation for school lunch aid by \$235,000.

The sixth article includes a provision eliminating the State Board of Education and transferring the board's duties to the commissioner of children, families and learning. Pogemiller said the board will remain in existence until July 1, 1999, in order to implement the graduation rule. A provision extends the education tax credit to fees for driver instruction provided by a private entity in the definition of education-related expenses and appropriates \$364,000 in FY 99. The seventh article includes an appropriation of \$1.1 million over the current biennium for school funding litigation costs.

Sen. Steve Kelley (DFL-Hopkins) offered an amendment allowing school boards to fix a superintendent's salary in excess of 95 percent of the governor's salary if the superintendent achieves required performance results. The amendment was defeated. Kelley also offered an amendment requiring the Office of Educational Accountability to develop criteria for assessing the education progress of each school using a performance baseline. The amendment was also defeated. The omnibus bill was approved and sent to the Education Finance Committee.

.08 blood alcohol level bill gains

The Crime Prevention Committee, chaired by Sen. Allan Spear (DFL-Mpls.) held its last regularly scheduled meeting Fri., Feb. 20, to take action on two measures. One of the bills, S.F. 2099, lowers the per se blood alcohol level for DWI offenses from 0.10 to 0.08 percent. Sen. Leo Foley, sponsor of the measure, reminded members that a similar bill had been approved by the panel last year. "Evidence from a growing body of research shows that people with a blood alcohol level of .08 percent are impaired and should not be on the road," Foley said. He continued, "The bill will not work a miracle, but it will save some lives. It is the right thing to do and the right message to send."

Lynn Goughler, legislative chair of Mothers Against Drunk Driving, spoke in support of the bill and said, "Statistics show that in states that have lowered the level to .08 percent, accidents are being reduced and lives are being saved." However, John Berglund of the Minnesota Licensed Beverage Association argued that statistics can be manipulated and that it is not that clear the bill will save lives. In addition, Berglund said, "The bill will result in higher costs for local governments because it has been estimated that there will be about 1,800 more convictions which will result in more jail days." Foley countered that in those states that have changed to .08 percent it was found that the rate of arrest remains about the same. The bill was approved and sent to the full Senate for further consideration.

In other action, the panel also approved and sent to the Senate floor a bill increasing the mandatory minimum sentence for illegal possession of firearms by a felon. S.F. 2078, sponsored by Sen. Ember Junge (DFL-New Hope), increases the mandatory minimum sentence for possession of a firearm by persons convicted of a crime of violence from 18 months to 5 years. Junge said the bill is designed to be a strong deterrent in order to convince people not to carry weapons. Spear offered an amendment to reduce the penalty to three years. He said that the three year penalty is in better proportion to other sentences involving firearms. However, Junge successfully argued against the amendment. The bill was then approved and sent to the full Senate.

Committee update

Agriculture and Rural Development

Soybean plant bill okayed

The Agriculture and Rural Development Committee met Thurs., Feb. 19, and took action on one bill. The committee is chaired by Sen. Dallas Sams (DFL-Staples).

S.F. 3300, authored by Sen. Jim Vickerman (DFL-Tracy), provides support for a soybean processing plant in Southwestern Minnesota. Vickerman said \$3 million is appropriated for the general fund to the commissioner of agriculture for a grant to a political subdivision that is chosen as a site for the Harvest States (soybean) Processing Plant. He said the grant is for site preparation, pre-development, and other infrastructure improvements, necessary for development of the oilseed processing and refining facility.

Vickerman also said that, under the bill, construction materials and supplies are exempt from sales taxes regardless of whether purchased by the owner, contractor, or subcontractor if the materials and supplies are used or consumed in constructing the facility, the total capital investment made in the facility is at least \$60 million, and if the facility is constructed by a Minnesota based cooperative.

Vickerman said the company is relocating the plant to either Minnesota or South Dakota and will make a decision sometime in March on which municipality will get the processing facility. "The plant will bring 150 jobs to Southwestern Minnesota and process 20 percent of the soybeans grown here," he said. The bill was recommended to pass and referred to Environment and Agriculture Budget Division.

Children, Families and Learning

Regent selection bill approved

The Children, Families and Learning Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), Sen. Pat Piper (DFL-Austin), and Sen. LeRoy Stumpf (DFL-Thief River Falls), approved a bill Thurs., Feb. 19, changing the University of Minnesota regent selection process.

The bill, carried by Sen. David Ten Eyck (DFL-East Gull Lake), repeals the

congressional district representation on the Board of Regents and establishes a regional distribution of regents. S.F. 2522 requires that at least five members of the Board of Regents reside in the Metropolitan Area and at least five members reside outside the Metropolitan Area. The bill also changes the membership of the Regent Candidate Advisory Council by reducing the number of council members from 24 to 18 members. Six members are to be appointed by the Senate (four by the majority leader and two by the minority leader), six by the House (four by the speaker and two by the minority leader), and six by the governor. The bill changes the advisory council's recommendation procedures by clarifying that the council must recommend two candidates for each vacancy on the board and moves up the recommendation date from March 15 to February 1. To provide for transition of advisory council members, the bill terminates all current members by June 30, 1998 and requires that new members be named by July 1, 1998.

Stumpf offered an amendment deleting the establishment of a regional distribution of the board of regents. The amendment also modifies the bill's change in the Regent Candidate Advisory Council appointment process. The amendment specifies that six members are to be appointed by the Subcommittee on Committees of the Committee on Rules and Administration of the Senate, six by the House of Representatives (four by the speaker and two by the minority leader), and six by the governor. The amendment deletes the repeal of the congressional district representation of the board of regents but prohibits force or effect to be given to the results of any congressional district caucus election in the regent election process. The amendment was adopted. Sen. Sandra Pappas (DFL-St. Paul) offered, and members adopted, an amendment requiring that gender representation be taken into consideration when making appointments to the Regents Candidate Advisory Council. The bill, as amended, was approved and sent to the Senate floor.

The committee heard four bills proposing constitutional amendments to be put on the general election ballot in 1998. Sen. John Hottinger (DFL-Mankato) sponsored S.F. 2775, a bill proposing an amendment to the state constitution to establish an endowment

fund for children through the age of six years. Sen. Sheila Kiscaden (R-Rochester) offered an amendment providing that a nonprofit foundation which has a history of involvement with children's issues, selected by the governor, shall convene a work group of Legislators and community and foundation representatives to develop a proposal for governance of the children's endowment. The amendment was adopted. The bill, as amended, was approved and re-referred to Rules and Administration Committee.

Sen. Linda Scheid (DFL-Brooklyn Park) sponsored S.F. 3256, a bill proposing a constitutional amendment to prohibit financing of education costs with local property tax revenue. The amendment would allow local property taxes to be used to fund facilities and equipment and to secure and pay debt to finance public school capital facilities. Scheid offered an amendment stating that the Legislature must make provisions by taxation or otherwise to finance at least 70 percent of all public education expenses. The amendment was adopted. The bill, as amended, was approved and re-referred to the Rules and Administration Committee.

Sen. Steven Morse (DFL-Dakota) sponsored a bill proposing the state constitution be amended to dedicate at least 20 percent of the net proceeds from the lottery to provide financial assistance to students attending Minnesota colleges. S.F. 486 was approved and re-referred to the Rules and Administration Committee.

Morse sponsored S.F. 1587, a bill proposing a constitutional amendment authorizing distributions from the permanent school fund and the environment and natural resources trust fund to be up to 5-1/2 percent per year. The bill was approved and re-referred to the Rules and Administration Committee.

Sen. Cal Larson (R-Fergus Falls) sponsored S.F. 3220, allowing employees of the Minnesota State Colleges and Universities (MnSCU) who are not eligible to accrue vacation time to donate up to 12 hours of accrued sick time for the benefit of another employee of MnSCU. Larson presented an amendment stating, an employee may not be paid for more than 80 hours in a payroll period during which the employee uses sick leave credited to the employee's account as a result of a transfer from another employee's sick leave account.

Further, the chancellor, in consultation with employees of the system or their exclusive representatives, is to establish procedures related to administration of the program. The bill was approved and sent to Senate floor.

Pogemiller carried a bill recodifying K-12 education statutes. Pogemiller said the recodification is a reorganizing of the statutes that makes no policy changes. The bill was approved and sent to the Senate floor.

Commerce

ATM fees bill fails

Sen. John Hottinger (DFL-Mankato) presented a bill to the Commerce Committee Thurs., Feb. 19 that prohibits banks from charging fees for ATM usage. "S.F. 2728 prevents a new and insidious fee," said Hottinger, "and allows a customer to access his or her money without being charged a fee for the service."

The bill defines the ATM fee as a transaction fee assessed by the owner or operator of an electronic financial terminal. The bill also prohibits financial institutions that own or operate the terminals from assessing the fee, if the transaction does not affect the consumer's account with the institution.

Representatives of credit unions and banks, the Office of Attorney General, the Credit Union Network, and the Independent Community Bankers Association spoke on the effects of the bill.

Charles Wikelius, with the Office of Attorney General, addressed the constitutional issues raised by the bill. One such issue concerns whether limiting the implementation of fees essentially represents a taking of financial institution property without just compensation. He said the courts have held that different expectations exist for highly regulated businesses and the general public. Such businesses, he said, understand that rules will change.

Another constitutional issue, said Wejelius, is that of preemption--whether states can impose tighter regulations than the federal government. He said that the courts have often upheld the states' rights to do so.

Those speaking against the bill said there was no rational basis for distinguishing between financial institutions

and private entrepreneurs, and that the bill reduces consumer choice.

The bill was amended to clarify which charges are allowed, and exempt charges between institutions. However, the bill was defeated on a voice vote.

The other three bills heard by the committee were quickly discussed and sent to the floor with recommendations to pass. S.F. 2550, authored by Sen. Michelle Fischbach (R-Paynesville) prohibits solicitation of loans by mailing a check payable to the addressee.

S.F. 2677, authored by Sen. Deanna Wiener (DFL-Eagan) regulates lien or claim waivers and subcontractor payments in building and construction contracts. The bill also modifies the redemption period for property sold at a mechanic's lien foreclosure sale.

Jocelyn Knoll, speaking for the Minnesota State Bar Association, said the bill corrects unintended errors passed in last year's bill of rights for contractors. She said the bill also changes language mandating the inclusion of certain language in every contract. Some contractors feel that some older contract forms might not have the necessary language in them, said Knoll, and the bill simply says the language is to be construed in every contract.

Sen. William Belanger (R-Bloomington) presented S.F. 668, a bill enacting the Industrial Hygienist and Safety Professional Title Protection Act. The bill provides legal recognition to the professions of industrial hygiene and safety, defines various terms, and restricts the use of the industrial hygienist title.

Economic Development Budget Division

Bonding bill approved

The Economic Development Budget Division, chaired by Tracy Beckman (DFL-Bricelyn), okayed \$182.5 million in state bonding and \$6 million in expenditures from the general fund for the economic development omnibus bonding bill at its Tues., Feb. 24, meeting.

Beckman said the committee is recommending that the Dept. of Administration receive \$5.5 million in state bonds for renovation and upgrades to the east building of the science museum to be used for the Minnesota Labor Interpretive Center.

Grants to political subdivisions,

Beckman said, will total \$152 million in state bonds and \$3 million from the general fund for local projects including: \$87 million for the Minneapolis Convention Center, \$6.7 million for the Duluth Convention Center expansion, \$10 million for the Humbolt Greenway project, \$1.5 million for the Lake Crystal Area Recreation Center, \$2.5 million for the Detroit Lakes Community Center, \$1.5 million for the Fergus Falls Convention center, \$2.8 million for the St. Paul Stroh Brewery site renovation, and \$10 million for a Phalen corridor grant, in St. Paul.

Beckman said that \$10 million in bonding is slated to go to the St. Paul Rivercentre Arena. He added that \$65 million had been requested for the project. Sen. Randy Kelly (DFL-St. Paul) said he thought more should have been provided for the new arena in St. Paul. "The NHL hockey team is only going to be using the facility 41 nights per year," Kelly said. "This is a community facility like the other convention and community centers." He added that if St. Paul can't get more money for the new arena it will cost at least \$30 million to renovate the existing civic center.

Sen. Deanna Wiener (DFL-Eagan) asked if the division had a set of guidelines it went by in deciding what convention and community center projects to fund. Beckman replied that all the projects that received full funding were reviewed for the long-term sustainability of the project, competition with existing facilities, and service to the public including seniors, community groups, and youth. Wiener added that she thought there were better ways the state could spend bonding dollars than to build an arena for professional hockey.

Beckman said under the bill the Indian Affairs Council is appropriated \$2.3 million for the Battle Point Interpretive Center. In addition the Historical Society is appropriated a total of \$6.9 million in bonding for several projects including: \$2 million in funding to the Historic Sites Network Preservation, \$1 million for county and local preservation projects, \$1.9 million to the St. Anthony Heritage Education Center, and \$783,000 to complete the Split Rock Lighthouse Visitor Center addition.

Beckman said the Dept. of Trade and Economic Development is slated to receive \$5 million in bonding and \$1 million from the general fund for its

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redevelopment account and grant program. The bill was recommended to pass and re-referred to the Human Resources Finance Committee.

Education Finance

K-12 omnibus bill considered

K-12 Education Budget Division Chair Lawrence Pogemiller (DFL-Mpls.) presented the division's omnibus bill to the Education Finance Committee at a meeting Weds., Feb. 25.

Discussion of the bill focused on one of several provisions making changes in the state's special education policy. The provision allows for the services of a speech therapist to be covered by medical assistance if the person holds a masters degree in speech-language pathology, is licensed by the state board of teaching, and has a certificate of clinical competence. The provision was one of the recommendations of the Joint House and Senate Subcommittee on Special Education.

Pogemiller said the Subcommittee on Special Education became aware that federal funds were available in the area of speech-language pathology, but that the state was not drawing down the funds. He said that requiring a masters degree makes the work of a speech therapist eligible for Medicaid reimbursement from the federal government. Currently, state and local dollars are paying the total cost of work done by speech therapists in school districts. The new eligibility allows the state to draw down 50 percent of the cost from federal dollars, he said.

Sen. Don Samuelson (DFL-Brainerd), who chairs the Health and Family Security Budget Division, said he objected to the provision because it transfers the state's portion of the cost of speech therapist's work from the education budget to Medical Assistance. Medical Assistance is covered by the Department of Human Services budget, which is determined by the budget division chaired by Samuelson. He said that under the provision, the Health and Family Security Budget Division is charged for an item over which it has no control. If the Education Finance Committee approves the policy change, then the Education Finance Committee's budget ought to cover the cost, he said.

Sen. Jane Krentz (DFL-May Township) said she thought the cost of speech

therapists' work was really a medical expense that state and local education budgets have been covering for years. Sen. Martha Robertson (R-Minnetonka), who co-chaired the Subcommittee on Special Education, said, "The state itself is better off (as a result of the provision) because it'll be drawing down federal funds that it isn't drawing down now. It's just a matter of which pot will access those funds."

Committee Chair Keith Langseth (DFL-Glyndon) said, "I'm not real concerned about the turf battles. But I am a taxpayer, and if we can reduce the amount paid by the state for this service, I'm interested." Pogemiller said he will work with Samuelson to come to an agreement on the provision. No action was taken on the omnibus bill.

Capital budget bills heard

Members of the Education Finance Committee devoted their second hearing Weds., Feb. 25, to reviewing two capital budget bills. Sen. Keith Langseth (DFL-Glyndon), said the final action on the higher education and family and early childhood education capital budget bills would be delayed until members also had a chance to review the K-12 education proposal.

S.F. 3029, carried by Sen. Pat Piper (DFL-Austin), is the family and early childhood capital budget bill. According to Piper, the measure appropriates \$6 million from the bond proceeds fund to the commissioner of children, families, and learning for grants to construct or rehabilitate facilities or for grants for other early childhood programs. There was no discussion nor were any amendments offered to the measure.

The proposal for the higher education capital budget, though, did engender considerable discussion. Sen. LeRoy Stumpf (DFL-Thief River Falls) outlined the various provisions of the proposal. Stumpf said the measure allocates \$139.59 million for the MnSCU system and \$172.37 million for the University of Minnesota System. "The public has huge investments in higher education and that is something we can be very proud of," he said, "but, over the years, facilities have deteriorated. A large segment of the bill is for asset preservation." Stumpf said that in addition to appropriations for asset preservation, the proposal contains language to move both systems toward

including asset preservation in their operating budgets.

Stumpf said the U of M portions of the measure provide \$70 million for a molecular and cellular biology complex, \$1 million for renovation of Walter Library, \$1.25 million for Amundson Hall, \$9.9 million for utility improvements, fiber optic cable, and air quality and venting on the Minneapolis campus, \$28.2 million for a science addition at Morris, \$22.3 million for library construction at Duluth, \$6.95 million for Peters Hall renovation at the St. Paul campus, \$3.8 million for construction and renovation at Crookston. Asset preservation funds are earmarked for all campuses.

The MnSCU system appropriations include \$10 million for the St. Paul Technical College, \$12.6 million for Inver Hills Community College, \$16 million of the Hibbing Technical College and Community College, \$7.6 million for Ridgewater Hutchinson Technical College, and \$11 million for Mankato State University among other appropriations. In addition, Stumpf said that the division provided \$51.3 million for asset preservation throughout the system.

Most of the discussion on the proposal centered on a provision allocating \$3.2 million for a footbridge to connect the east and west buildings at Century Community College. The proposal also includes \$800,000 for designing and remodeling to better integrate the two campuses. Stumpf offered an amendment deleting the \$800,000 appropriation for designing and remodeling at Century and inserting an \$800,000 appropriation to prepare an academic and facilities master plan for Anoka-Hennepin Technical College and for Century Community and Technical College. Members adopted the amendment, but continued to debate the appropriation for the footbridge. Committee members questioned the appropriation for the footbridge before the study was completed. Stumpf said that the traffic situation was dangerous and that there have already been numerous accidents at the site. He said that steps need to be taken quickly before there is a loss of life from a serious accident.

Langseth said that the committee would consider the two bills, along with the K-12 education capital budget proposal at a later hearing.

Environment and Natural Resources

Anti-freeze bill approved

The Environmental and Natural Resources Committee, chaired by Sen. Bob Lessard (DFL-Int'l. Falls), met Fri., Feb. 20, in a short session to take action on two bills.

S.F. 2739, carried by Sen. Charles Berg (IND-Chokio), modifies provisions relating to prohibitions on the disposal of motor vehicle anti-freeze. Berg said a person may place waste motor vehicle anti-freeze in a wastewater collection or treatment system, unless prohibited by the operator of the system, if the person: generates an annual average of less than 90 gallons per month of waste anti-freeze, and keeps records of the amount of waste anti-freeze generated. Berg added that records of the waste must be available to inspection for a minimum of three years following generation of the waste. The bill was recommended to pass and sent to the Senate floor.

S.F. 3125, authored by Sen. Claire Robling (R-Prior Lake), changes inspection criteria for individual sewage treatment systems. Robling said, under current law, cesspools in the state that are determined to not be completely enclosed are considered a health risk. Robling added that an owner has 10 months to upgrade a pool that is considered a health risk.

Robling said, under the changes, a cesspool has to be upgraded if the inspector finds that there is sewage discharge to surface water, sewage discharge to ground surface, sewage backup, or any other situation with the potential to immediately and adversely affect or threaten public health or safety. She added that if a cesspool has none of the conditions that threaten public safety it need not be upgraded, repaired, replaced, or its use discontinued, unless there is a local ordinance that is more restrictive. The bill was recommended to pass and sent to the Senate floor.

Environment and Agriculture Budget Division

Supplemental budget bill approved

The Environment and Agriculture

Budget Division approved the supplementary budget bill Thurs., Feb. 19, and re-referred the bill to the State Government Finance Committee.

Monies in the bill are dedicated to projects administered by the Pollution Control Agency (PCA), the DNR, the Minnesota Zoo, the Minnesota Board of Water and Soil Resources, the Dept. of Agriculture, the Board of Animal Health, and the Forest Resources Council.

The bill allocates \$15.5 million for various programs in FY 98 and FY 99, a decrease of almost \$3.5 million from the governor's proposals. All of the governor's proposed projects are funded at various levels, and over a dozen additional projects are also funded. For the PCA, additional appropriations include funding for county feedlot grants, a fish research grant, and the federal clean water program. For the DNR, additional appropriations include funding for the Reinvest in Minnesota license plate program and the St. Croix Valley Heritage Center. The bill also increases the governor's proposed funding of the DNR's flood hazard mitigation efforts from \$300,000 to \$1.6 million in FY 99.

A number of additions are made to appropriations for the Dept. of Agriculture. The bill allocates funding for livestock depredation payments, dairy diagnostic teams, the Minnesota Grown food coupon program, the Passing on the Farm Center, the coop grant program, and cider research at the U of M.

Money is also appropriated for the Board of Animal Health for the study of John's disease in cattle, and for the Forest Resources Council to implement the Sustainable Forest Resources Act.

An amendment incorporated into the bill by Division Chair Steven Morse (DFL-Dakota), maintaining federal motorboat prohibitions due to expire next year in the Boundary Waters Canoe Area (BWCA) surprised many of the division members.

Sen. Douglas Johnson (DFL-Tower) told the division that the Morse amendment was very controversial. "Many of my constituents would be affected by this," he said, "without being given the opportunity to testify." Johnson said there was never any public notice for the amendment, and any present discussion of the amendment as a result would be occurring in the wrong forum.

Morse said that his bill on the BWCA didn't receive a hearing this year, but was heard last year. He said the relaxation of federal regulations is set to occur next year. "This is not a proactive bill to try to raise the issue, it's a reactive bill to issues already raised," said Morse.

Many division members discussed the use of Rule 40 to pull unheard bills from a committee, and mentioned bills they authored that never received hearings. Rule 40 is a parliamentary procedure used to withdraw a bill from a committee.

Johnson told the division that the amendment would create a lot of bad feelings in the state. He said that instead of alleviating pollution concerns in the BWCA by prohibiting motorboats, the division should instead consider appropriating \$2 million for the Ely wastewater treatment facility. The facility, said Johnson, is 95th on the PCA treatment list, but has nevertheless been cited by the agency for imminent pollution of the BWCA lakes.

Sen. Bob Lessard (DFL-Int'l. Falls) made a motion to remove the Morse amendment from the bill. The motion failed on a roll-call vote.

Some of the amendments approved by the division include adding a \$190,000 appropriation for the nongame wildlife management program, changing the regulations on state snowmobile sticker placement and licensing, and changing various exceptions to antifreeze disposal requirements.

Other approved amendments extend the appropriation availability for a PCA study to monitor and research the effects of endocrine-disrupting chemicals, and require the PCA to convene a task force to select an entity to conduct a scoping study. The scoping study will determine a cost-benefit model for analyzing water quality standards.

USS Des Moines park debated

The Environment and Agriculture Budget Division met twice Fri., Feb. 20, to discuss bills relating to various waste and water issues, as well as funding for the International Wolf Center and the proposed Veterans Memorial State Park in Duluth.

Division Chair Steven Morse (DFL-Dakota) said no action would be taken on the bills on the agenda.

A bill authored by Sen. Gary Laidig (R-Stillwater) authorizes \$14 million for

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the construction of state park facilities on Lake Superior in Duluth. The centerpiece of the proposed Veteran's Memorial State Park is the retired heavy cruiser USS Des Moines.

Residents of Duluth, representatives of the DNR, veterans groups, the Minnesota Parks and Trails Council, the Duluth Tourism and Visitors Bureau, and Veterans for Peace spoke on the bill.

Jerry Kimbal, a retired city planner with the city of Duluth, said that the city examined and discarded the idea for a warship park years ago. He said that the results were similar to the recent study completed by the Duluth News-Tribune, which found that seven of nine similar parks were revenue negative, "many in urban corridors larger than Duluth's," he said. The park also conflicts with the city's waterfront plan, he said, which emphasizes the historical, nautical, or industrial character of the city.

Judy Erickson, of the Minnesota Parks and Trails Council, echoed Kimbal's concern. "As we understand the definition of state parks, this proposal does not fit," said Erickson. She said the council believes the revenue estimates for the proposed park are overly positive, and as a result the council is concerned about the financial impact on the state.

Susan Alexander, a resident of Duluth, said the park isn't a veterans' issue, but a taxpayer issue. "Can you imagine how we feel as parents, hearing about the educational value of the ship, when our kids are packed like sardines into classrooms?"

Terry Mattsen, of the Duluth Convention and Visitors Bureau, said that there is a lot of misinformation about the project. Once people get all the facts about the project, their support will increase, he said. Over 3.5 million visitors come to Duluth annually, said Mattsen, and the project would be a destination attraction, which will bring additional new visitors to Duluth.

Addressing whether the proposed park fits in with state park guidelines, Mattsen said that during the Second World War, the Twin Ports employed over 16,000 people in shipbuilding. Over four vessels with military applications and hardware were launched every month from Duluth, he said. He admitted that the USS Des Moines was not built in Duluth, but said that Minnesota iron was used in the ship's construction. Mattsen told the division that the fate of the park is to be decided on March 4, by citywide referendum.

Morse confirmed with the DNR that the proposal would die if the referendum comes out negative, and asked for the city of Duluth's viewpoint on the project.

No Duluth city officials were present, but Mattsen said the fact that the city turned the project over to a public referendum speaks of the city's view.

Representatives of the International Wolf Center, an educational facility located in Ely, also spoke before the division. Discussing some of the capital improvement needs of the center, staff member Nancy Gibson presented Chance, a nine-month old, 90-pound arctic wolf pup. Gibson said the center was created out of a 1985 Science Museum exhibit on wolves that broke all attendance records. She said the original exhibit is now permanently housed at the center, which has been visited by more than 250,000 people.

"We're not an advocacy group," said Gibson. "We want people to understand the ecological role of the wolf. The wolf is not a saint, and the wolf is not a sinner," she said.

A bill authored by Sen. Gary Laidig (R-Stillwater) provides funding for a number of improvements to the center, located in Ely. S.F. 2559 appropriates \$605,000 from bond proceeds, for roadway, heating and ventilation, exterior lighting, and wolf enclosure improvements.

Gibson said that the road going to the center was never constructed for the high use it has received. As a result of the center's popularity, she said, the road is in need of various repairs. Gibson said the proposed funds allow the center to display red, Mexican, and arctic wolves, create an interactive children's exhibit, and expand available space to allow retail and food service operations.

Representatives of the Lauderdale and St. Anthony communities were also present at the meeting, requesting financial assistance to offset the devastation the cities faced with last year's flooding. They spoke on behalf of S.F. 2991, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls). S.F. 2991 appropriates \$35 million from bond proceeds and \$6 million from the general fund, for DNR flood hazard mitigation grants and programs.

Sen. John Marty (DFL-Roseville), a co-author of the bill, said that St. Anthony is faced with quadrupling its stormwater utility fee to the highest rate in the

Metropolitan Area, from \$3 to \$13 a quarter, to address various flooding problems. Even with the increased rates, said Marty, the city is only able to raise enough money over the next 15 years to fund a quarter of the \$6 million in needed improvements.

"What happened in St. Anthony is no different than what happened in the Red River Valley," said City Engineer Todd Hubmer. He said that St. Anthony received flooding twice as intense as a 100-year flood. He told the division that present building standards didn't exist when the community was formed in the 1950's. He said the entire city of St. Anthony is drained by a single 48" pipe that extends through Minneapolis.

The \$6 million needed would be used to reconstruct city parks to accommodate storm water, improve the storm sewers, floodproof homes, and purchase homes to be demolished for stormwater retention ponds.

A number of other bills on water issues were also heard. Sen. Paula Hanson (DFL-Ham Lake) presented a bill appropriating \$100,000 in bond proceeds for a surface water drainage system in the Linwood Township in Anoka County. S.F. 2115 controls runoff and reduces sedimentation through the installation of a storm sewer and sedimentation basin, said city engineer Larry Koshak.

Morse said that he was unsure whether the state had ever funded storm sewer implementation. "If we fund this, I hesitate to think how many other communities could also come to us for assistance," he said.

Sen. Dallas Sams (DFL-Staples) presented S.F. 3266, a bill appropriating \$300,000 in general fund revenues to the DNR for a matching grant to the Sauk River Watershed District to renovate the Sauk River Dam.

S.F. 3135, presented by Laidig, appropriates \$2.4 million of state bond funds for the Dept. of Corrections to grant to Bayport for the reconstruction of a storm sewer adjacent to the Stillwater Correctional Facility.

Two other bills heard relate to park and municipal waste facility funding. Sen. Dave Kleis (R-St. Cloud) presented S.F. 2904, authorizing \$3.8 million in state bond funds to the Dept. of Administration to distribute to Stearns County for land acquisition and construction of an interpretive center. A bill authored by Sen. Randy Kelly (DFL-St. Paul), S.F.

2832, allows the Pig's Eye waste facility to be classified as an eligible facility under the state landfill cleanup program administered by the Pollution Control Agency. The bill also amends existing sections of the landfill cleanup program statutes to add "eligible facility" under the duties and powers of the agency relating to program operation, and requires a report from the agency and the Office of Attorney General on insurance recovery.

Capital budget bill approved

The Environment and Agriculture Budget Division assembled the preliminary capital budget proposal Mon., Feb. 23. The division bill is an "embarrassingly slim proposal," said Division Chair Steven Morse (DFL-Dakota), funding \$55 million less than the governor is requesting.

No final action was taken on the bill. Morse said the division would refer the bill to the State Government Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul) after Tuesday's division meeting.

The bill, with total funding requests of \$144.8 million in general fund money, is devoted largely to projects under the administration of the DNR. Almost \$100 million of funds go to the DNR for areas including the state parks and forests, various flooding and dam initiatives, and the Reinvest in Minnesota program. The bill devotes the remaining third of the funds to other departments, including the Office of Environmental Assistance, the Public Facilities Authority, the Minnesota Board of Water and Soil Resources (BWSR), the Minnesota Zoo, and the Dept. of Revenue.

Instead of concentrating on new buildings and construction, said Morse, the bill concentrates on improving existing resources and those resources harder to secure in the future, such as projects for which federal matching funds are presently available.

Many Senators expressed their concern with the funding target of \$134.8 million given to the division. Sen. Bob Lessard (DFL-Int'l. Falls) asked whether it would be prudent to simply fund those areas that needed funding, and not worry about the imposed target. Morse admitted "it's not a real pretty bill" at the present funding levels, and replied that the division's responsibility is to set the

funding priorities. "I'm not going to send a bill on that's over target," said Morse. "Instead of closing the book on discussion, I'd like to say that if we get more money, this is what we can do," he said.

Some areas funded under the bill are not included in the governor's recommendations. Such projects funded include ring dikes within the 1997 flood damage area, a whitewater trail in the Minneapolis portion of the Mississippi, the Laurentian Environmental Learning Center, the International Wolf Center and dairy waste system loans. The bill also dramatically increases funding for flood hazard mitigation grants from the \$24 million requested by the governor to \$34 million.

Some of the governor's recommendations not funded or receiving drastically reduced funding include Twin Cities Metro Area greenways and natural areas, state park and recreation area building development, the Veteran's Memorial State Park, and Lake Superior Safe Harbors.

A number of amendments to the bill were approved by the division. One of the approved amendments was authored by Sen. Dennis Frederickson (R-New Ulm), which excepts the sewage treatment facility in Ely from the priority list administered by the Pollution Control Agency (PCA). The amendment allows the repair of the treatment facility in Ely, in order to prevent possible discharge into the Boundary Waters Canoe Area.

Other approved amendments were offered by Sen. LeRoy Stumpf (DFL-Thief River Falls) and Sen. Jim Vickerman (DFL-Tracy). Stumpf's amendment allocates \$250,000 to BWSR for the acquisition of flood storage easements that allow haying, grazing, or other activities when the flood storage is not needed. Vickerman's amendment requires the PCA to report on correction options for sewage treatment systems in Tracy.

Capital budget debate continued

Using an increased capital budget limit, the Environment and Agriculture Budget Division met Tues. evening, Feb. 24, to make a supplemental capital budget recommendation. Sen. Steven Morse (DFL-Dakota), chair of the division, said the division received a limit increase of \$43.6 million.

Morse distributed a spreadsheet with additional appropriations to begin the

discussion. He said that the division could also make "deferred recommendations" in case the limit is increased again, but cautioned members against using that option too much because it "dilutes the supplemental recommendations." Morse said that the \$18.8 million in supplemental recommendations for the Dept. of Natural Resources include \$4.25 million for a new visitor's center at Lake Itasca State Park, \$3.1 million for flood hazard mitigation grants, and \$500,000 for the Como Park education resource center.

Sen. Leonard Price (DFL-Woodbury) said that he was concerned that the Metro Greenprint proposal he sponsored had lost all funding. Morse said the proposal was included in a local initiatives grant fund and the Scientific and Natural Areas fund.

The division then adopted amendments appropriating \$500,000 to the Dept. of Agriculture for development of a soybean processing facility in Southwestern Minnesota, increasing the caps on funds available for various loan programs through the Public Facilities Authority, appropriating \$300,000 to the city of Bayport to replace a storm sewer pipe to prevent future flooding, and appropriating \$500,000 to connect a trail in St. Louis Park to the Hennepin Parks regional trail system.

Sen. Janet Johnson (DFL-North Branch) offered an amendment giving priority to the city of Isanti for reimbursement of costs incurred in building a wastewater treatment facility. Johnson said that Isanti is located on the Rum River which is designated as a Wild and Scenic River. Because of that, Johnson said, the wastewater discharge standards are higher and thus the treatment plant was more expensive to build. Johnson said Isanti has a low median household income level and the assessment costs are about \$38 per month per household. The division adopted the amendment.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment appropriating \$2 million to the city of Savage to develop a new water supply and protect the Savage fen. Frederickson said the money comes from an account established a few years ago to replace once-through groundwater cooling systems, but the fund has not been used and currently has a balance of \$2.8 million. The division added language limiting the appropriation to no more than half the

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cost of the project and then adopted the amendment.

One other amendment considered by the division arose from a bill, sponsored by Sen. Dave Johnson (DFL-Bloomington), seeking a grant to replace softball fields in Richfield displaced by expansion of the Minneapolis-St. Paul Airport. The amendment requires the Metropolitan Airports Commission to pay \$4 million to Richfield for the project. Sen. Pat Pariseau (R-Farmington) said that she was concerned that the amendment may cause the cost of air travel to increase and the matter should be considered by another policy committee. Morse said that the Local and Metropolitan Government Committee was probably the appropriate committee for the matter. Sen. Jim Vickerman (DFL-Tracy), the chair of that committee, moved the amendment which the division adopted. The division then sent their supplemental capital budget recommendations to the State Government Finance Committee. All of the recommended appropriations are direct and do not require the sale of state bonds.

Governmental Operations and Veterans

Budget bill approved

The division report on the state government omnibus supplemental appropriations bill was heard at the Thurs., Feb. 19, meeting of the Governmental Operations and Veterans Committee. The committee, chaired by Sen. James Metzen (DFL-South St. Paul), approved the report for introduction as a committee bill.

Sen. Leonard Price (DFL-Woodbury), chair of the Governmental Operations Budget Division, briefly outlined the components of the report. He said the report contains appropriations of \$24.441 million for the Attorney General's Office; \$100,000 to update the Secretary of State's statewide voter registration system; \$65,000 to Minnesota Planning for the 2000 census promotional efforts; \$1.2 million to Minnesota Planning for the livestock feedlot generic environmental impact statement; \$3.5 million to the Dept. of Administration for the Year 2000 computer project; \$731,000 to the Dept. of Revenue for the Minnesota Collection Enterprise; \$10,000 each to

the Departments of Commerce and Health for an occupational licensure coordinating council; \$435,000 to the Dept. of Finance for part time state employee benefits; \$10,000 to the Public Employees Retirement Association to pay the full survivor's benefit to the widow of a St. Paul housing inspector who was murdered last Christmas Eve; \$700,000 to the Minnesota State Retirement System to transfer Legislators and Constitutional Officers to the unclassified plan; \$408,000 to the State Auditor for tax increment financing investigations; \$300,000 to the Dept. of Employee Relations for a Health Care Access Fund loan payment; a transfer of interest earnings from the general fund to the gift account of \$100,000; and a \$224,000 transfer of last year's community based planning appropriation from the technology grant to the advisory council.

Sen. Charles Berg (IND-Chokio) asked why the appropriation to the Attorney General's Office was \$1.9 million above the governor's recommendation. Price replied that last year the governor vetoed the entire FY 99 budget for the Attorney General's Office because he thought the legal costs were out of line. Price said that the budget division invited representatives from both the Dept. of Finance and the Attorney General's Office to present their respective sides on the issue of the appropriate level of funding. Price said there wasn't much advice from the governor as to what legal services to cut. On the other hand, he said, the Attorney General's representatives said that the Legislature had extended their work and increased their workload and the office needed more money to do its job.

Sen. Martha Robertson (R-Minnetonka) said that she concurred with Price. She said that the two sides disagreed on the base appropriation, on whether or not the technology appropriation was part of the base, and on the hourly rate charged to other state agencies for legal services. "But," Robertson said, "It was pretty clear that it was so expensive because of things we (the Legislature) had asked the office to do."

Price added that in the legislation there is rider language establishing a task force composed of people from both offices and the Legislature to make recommendations on how to resolve the issue. Other riders found in the package, according to Price, include language from

S.F. 2558, sponsored by Sen. Sheila Kiscaden (R-Rochester), requiring state agencies to include routine maintenance funding in their base budgets, and S.F. 2436, sponsored by Metzen, transferring workers' compensation judges from Dept. of Labor and Industry to the Administrative Hearings Office.

Sen. Dan Stevens (R-Mora) offered an amendment appropriating \$20,000 to commission a portrait of Governor Carlson to be placed in the Capitol. The amendment was opposed by Sen. Don Betzold (DFL-Fridley). Betzold said that he believes Carlson certainly deserves a portrait in the Capitol, but the other body has taken the position this year and last that they will not authorize a portrait of Carlson unless the Senate also authorizes the replacement of former Governor Perpich's portrait with a portrait of Lola and Rudy Perpich. Betzold said the issue was very contentious in the conference committee last year and he wants to avoid it this year. However, Stevens' amendment was adopted with Betzold voicing the only dissenting vote. The committee then moved to introduce the package as their supplemental budget bill.

The committee also spent some time exercising its authority to review any legislation that creates a task force or authorizes administrative rules. Robertson presented pieces of S.F. 2472, a special education bill she is sponsoring. She said that the bill proposes two task forces -- one to coordinate the delivery of interagency multidisciplinary services to children with disabilities, and the other to study the feasibility of delivering medically related special education services through health insurance plans. Robertson said the bill also authorizes the State Board of Education to amend its administrative rules on special education so that the rules do not exceed federal regulations or expand beyond federal minimum requirements unless the board deliberately decides that they should. The committee approved the provisions.

Governmental Operations Budget Division

Bonding bill okayed

The Governmental Operations Budget Division, chaired by Leonard Price (DFL-Woodbury), met Mon., Feb. 23, and took action on the state government bonding bill.

Price said the division bill authorizes \$54.6 million to acquire and better public lands and buildings along with other projects of a capital nature. The division's recommendations were recommended to pass and referred to the State Government Finance Committee.

Price led division members through a list of programs on two worksheets prepared by committee staff, one showing projects that are recommended for funding, and another that illustrates projects that were partially funded or not funded at all. Price asked committee members for input as to which programs should be included in the second list.

Sen. Don Betzold (DFL-Fridley), said he thought sending a list of programs not receiving funding to the State Government Finance Committee was beneficial because the full committee may have different priorities. State Government Finance Committee Chair Sen. Richard Cohen (DFL-St. Paul) said it is unlikely any of the partially funded or unfunded projects will receive money in the full committee, but all the information that can be provided will be helpful.

Price said the division recommendations include \$6.8 million for several Amateur Sports Commission projects out of a total request of \$17.2 million. Price said the National Children's Golf Course, in Blaine, receives \$3.7 million for land acquisition and site development and the Ice Centers/Mighty Ducks grant program will receive 2.5 million in funding in the division's recommendations.

Price said under the proposal, the Dept. of Military Affairs receives \$1.8 million of their total bonding request of \$14 million, including \$880,000 for kitchen renovation, \$900,000 for asset preservation, and \$100,000 for the department's emergency management facility. He said the Stillwater Armory (\$5 million) and the Blaine Armory (\$5.2 million) projects were not funded in the division's recommendations.

The Capitol Area Architectural Planning Board (CAAPB), Price said, receives \$38.2 million from the general fund and \$16.4 million from the Highway Trunk Fund including \$6.6 million for structural stabilization of the Capitol Building, \$724,000 for lighting improvements to the grounds on the north side of the Capitol, and \$120,000 to refurbish two statues on the Capitol's south side. Price added that the CAAPB is also appropriated \$150,000 to Finish the

Women's Suffrage Garden and \$442,000 for repair and restoration of Capitol Complex memorials.

Price said the committee recommends the state appropriate \$38.2 million from the general fund and \$16.4 million from the Highway Trunk Fund to projects for the Dept. of Administration. Price said the division is recommending the state provide \$3.4 million to demolish the Capitol Square Building, relocating the Dept. of Children Families and Learning and the Higher Education Services Office to temporary space. He added that the department will convert the existing site into parking until a new state owned facility can be constructed. Price said that several other projects are recommended to receive funding including \$5.3 million to upgrade the primary electrical distribution system in the Capitol Complex and upgrade the mechanical infrastructure in the east Capitol area, \$15 million for the capital asset preservation account (CAPRA), \$15.7 million to complete the renovation of the Transportation Building to present day standards and to meet existing safety requirements, \$1.6 for the Ely Revenue Building, \$4.1 million for the Minnesota African American Performing Arts Center (Penumbra theater), and \$750,000 to the Paramount Arts District project to complete the Regional Arts Center, in St. Cloud.

Price said the agency relocation fund is recommended to receive \$2.4 million in appropriations for various projects. Price added that the division did not fully fund the request because the money was not available in the division's budget. Commissioner Elaine Hansen, of the Dept. of Administration said the agency relocation projects are all important and need to be funded. "These projects were not presented to the committee in a priority order," Hansen said. She added that after the department received funding levels from the Legislature they will be able to provide a detailed breakdown of in what order relocation projects will be funded.

Higher Education Budget Division

Bonding appropriations okayed

The Higher Education Budget Division, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), approved its

part of the 1998 bonding bill at the Fri., Feb. 20., meeting. Movement of the bill out of the division completes their major work for the session.

Stumpf began the meeting by thanking the members and staff for their hard work, and then proceeded to explain the provisions of the measure. He said that it met the capital budget target amount of \$312 million, with \$158 million in general obligation bonds, \$75 million in general fund appropriations and \$79 million in user fee financed bonds. For the appropriations to the Minnesota State Colleges and Universities (MnSCU), Stumpf said the system requested \$91 million while the governor only recommended \$43 million. A computer analysis of the requests found that most could be funded with \$50-60 million, said Stumpf, so the division's package contains \$55 million. In the Metro Area allocations to MnSCU, Stumpf said the appropriations emphasize asset preservation and makes better use of program facilities, especially programs in the sciences.

Concerning the requests from the University of Minnesota (U of M) system, Stumpf said the need was "almost bottomless," but he said the allocations emphasize research which benefits all Minnesotans.

Sen. Sheila Kiscaden (R-Rochester) asked about differences between two items on the list of MnSCU projects, the \$55 million Higher Education Asset Preservation and Replacement Account (HEAPRA) and the unfunded minor construction and remodeling fund. MnSCU Chancellor Laura King said that the HEAPRA account is to bring structures into building code compliance but the affected space must be used for the same purpose. The other account, King said, is to remodel space so that it can be used for another purpose. King said that MnSCU has three funding objectives: catch up on the repair backlog, fund routine maintenance costs in the operating budget to prevent an increase in the backlog, and renew and refresh current space as program needs change. Kiscaden said that in other budget legislation, she has advocated putting routine maintenance costs in operating budgets and encouraged the higher education division to do that as well.

Two particular projects occupied much of the committee's attention during the

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meeting, one slated to receive an appropriation and one not. Sen. Steve Kelley (DFL-Hopkins) offered an amendment for the unfunded item. The amendment appropriates \$53.6 million to renovate the Walter Library on the U of M Twin Cities campus into a digital technology center, but only if the November 1998 revenue forecast exceeds the February 1998 forecast by at least the same amount.

Sen. Steve Murphy (DFL-Red Wing) argued against the amendment. Murphy said it was irresponsible to enact contingent legislation. Sen. Dave Kleis (R-St. Cloud) agreed and said "Let's not spend money before we have it." Stumpf added that the economy could go into a tailspin because of the Southeast Asian and Mid-East crises.

Kelley argued for the measure, saying that the project was future oriented and would result in many benefits for Minnesota, but the amendment was tabled on a motion by Sen. Cal Larson (R-Fergus Falls).

Murphy then initiated the conversation on a \$5.3 million item in the proposal -- a footbridge to connect the Century Community College campus with the Century Technical College campus -- by moving to delete it. King said that Century Avenue divides the two campuses and the traffic creates a hazard for students going from one to the other. She said that the appropriation is to construct a bridge over Century Avenue and a new campus entrance intersection. Several proposals were offered to delete all or part of the Century College appropriation and allocate it elsewhere. Many members objected to the use of higher education money for a road construction project. Eventually the panel accepted a proposal by Sen. Deanna Wiener (DFL-Eagan) to delete all of the Century College appropriation, use \$1 million of it for planning and design work on the Walter Library project, and use the rest for planning and design work for MnSCU projects that were previously unfunded.

The panel also adopted an amendment offered by Kleis authorizing St. Cloud State University to build a new bookstore with funds already available. Kleis said the prior appropriation was ambiguous, and the amendment just adds clarity. The capital budget recommendations now go to the Education Finance Committee for further review.

Health and Family Security

Drug and vaccine bills gain

The Health and Family Security Committee approved two bills, Thurs., Feb. 19, in a short meeting following the Senate floor session.

Chair Sen. John Hottinger (DFL-Mankato) presented his bill, S.F. 2207, that exempts certain prescriptions from bearing a federal drug enforcement administration (DEA) tracking number. David Renner, Minnesota Medical Association, said the DEA uses tracking numbers to identify health care practitioners who are authorized to engage in legitimate business activities with controlled substances.

Renner said drug prescribers and insurance agencies are using the numbers on prescriptions for non-controlled substances for reimbursement purposes. This unapproved use of tracking numbers may allow them to fall into criminal hands and complicates DEA efforts, he said. Renner said the bill clarifies that a prescription need not bear the DEA registration number if it is not a controlled substance. He said the effective date will be delayed 24 months after implementation of a federal program, which will determine the standard identifier number, in order to work out any kinks in the new system.

Phil Griffin, PreferredOne, Diane Hillbrant, Diversified Pharmaceutical Services, Inc., and Matt Sheffield, Minnesota Pharmacists Association, expressed support for the bill with the delayed implementation date. The committee approved the bill and sent it to the floor.

S.F. 2372, authored by Sen. Becky Lourey (DFL-Kerrick), requires children enrolling in kindergarten or already enrolled in school to receive hepatitis B immunizations. Lourey said impetus for the bill is the seriousness of the disease, the growing risk factors, and the rate of failure of available treatments. She said the bill requires children through grade seven to be immunized by the 2007-2008 school year. Dr. Deb Wexler, oncologist, said 32 states have enacted laws that require students to be vaccinated against the disease before entering kindergarten or middle school.

Chris Able and Theresa Beauchet, mothers and former nurses, testified against the bill. They said the risks

associated with the vaccine do not outweigh the small public health benefit. They cited the low incidence rate of hepatitis B in Minnesota as evidence that parents should be allowed to make individual choices rather than blindly obey a state mandate. Lourey said the state does allow parents to raise a "conscientious objection" to immunizations if they choose. Dr. Coleman Smith, oncologist, said vaccination has been directly responsible for reducing cases of the disease worldwide.

The committee sent the bill to the full Senate.

FAS reporting bill advanced

Members of the Health and Family Security Committee, chaired by Sen. John Hottinger (DFL-Mankato), held their final hearing Fri., Feb. 20, to consider two bills.

The first measure, S.F. 3207, provides for the reporting of alcohol abuse by a pregnant woman. Under the bill, sponsored by Sen. David Knutson (R-Burnsville), if those who are mandated to report child abuse know or have reason to believe that a woman is pregnant and has knowingly abused alcohol, the mandated reporters may arrange for a chemical use assessment or immediately report to the local welfare agency or to a maternal child substance abuse project. Upon receiving a report, a local welfare agency must conduct an appropriate assessment and offer services to the woman.

Knutson said the bill has changed over the course of several committee hearings to no longer provide for automatic civil commitment of women who refuse services. He said the focus has narrowed to provide for voluntary reporting because the bill's supporters do not want to discourage women from seeing health care providers. First Lady Susan Carlson testified in support of the bill and said, "I would have preferred having some court action for women who have had every opportunity for services but persist in using alcohol, but the bill does provide for women to access services and that is the main goal--to prevent the occurrence of Fetal Alcohol Syndrome." Knutson said, "This bill is the ultimate first step in prevention of FAS."

Committee members adopted an amendment, offered by Sen. Linda Berglin, clarifying the definition of abuse of alcohol. The bill was then approved and sent to the full Senate.

In other action, members approved a bill to provide funding for the compulsive gambling program. S.F. 1615, authored by Sen. John Marty (DFL-Roseville), requires the governor to contact the chairs of Minnesota's 11 tribal governments and request a contribution of \$643,000 for the compulsive gambling program. The bill also provides for a public awareness campaign and requires a study to identify those at highest risk to become compulsive gamblers. The bill was approved and advanced to the Human Resources Finance Committee.

Health and Family Security Budget Division

Homeless shelter bill heard

The Health and Family Security Budget Division heard presentations, Fri., Feb. 20, on bills dealing with the Ramsey County emergency shelter and a compulsive gambling prevention program. The division, chaired by Sen. Don Samuelson (DFL-Brainerd), also took action on health and human service bonding recommendations.

Sen. John Marty (DFL-Roseville) presented S.F. 1615, a bill that requests the governor to contact chairs of the tribal governments in Minnesota to seek a contribution of funds for compulsive gambling treatment and prevention programs, and requires the commissioner of human services to establish a public service advertising campaign to create awareness of the problems associated with compulsive gambling. The bill proposes that funding for the program be drawn from state lottery proceeds (\$332,000) and tribal contributions (\$643,000). The committee adopted an oral amendment to specify how the funds are dispersed to the programs. The bill was recommended to pass and referred to the Health and Family Security Committee.

Sen. Sandra Pappas (DFL-St. Paul) presented S.F. 2505, a bill that recommends a \$3.1 million appropriation to renovate, remodel, furnish, and equip an emergency shelter in Ramsey County. Pappas said Ramsey County is experiencing a crisis in providing shelter for homeless families. Susan Haigh, county commissioner, said that Ramsey County shelters and church spillover programs have reached capacity. She said that 75 percent of homeless shelter occupants are

children. The bill was discussed and laid over.

Finally, Samuelson presented the division's health and family services bonding recommendations. Linda Berglin (DFL-Mpls.) offered a Dept. of Human Services amendment that would allow the department to use capital funding appropriations for crisis respite care housing. The amendment was discussed and held over.

Berglin then moved to raise the division's appropriations target of \$25.4 million to match the governor's recommendation of \$29.4 million. The division had reduced funding for two projects by \$4 million--construction of a 50-bed addition to the Moose Lake Psychopathic Personality Treatment Center and the Minnesota Extended Treatment Option on the Cambridge Regional Human Services Center campus. Elaine Timmer, assistant commissioner, Dept. of Human Services, said that the Moose Lake bed construction project would have to be scrapped if it did not receive full funding. The committee agreed and raised the total bonding requests for health and family services to match the governor's recommendation of \$29.4 million.

Human Resources Finance

Omnibus health, crime bills gain

The Human Resources Finance Committee, chaired by Sen. Linda Berglin (DFL-Mpls.), took action on the health and human services omnibus bill and the supplemental criminal justice and judiciary funding bill, Thurs., Feb. 19.

"It ain't over 'til it's over," said Berglin in response to First Lady Susan Carlson's concern over the health division's \$2 million decrease in funding for the Fetal Alcohol Syndrome (FAS) prevention program. Carlson asked the committee to reconsider and increase the appropriation to move closer to the governor's recommendation of \$5 million. With that, Berglin, who authored the FAS bill, S.F. 3004, opened the meeting to Sen. Don Samuelson's (DFL-Brainerd) presentation of the health and human services omnibus bill, S.F. 3346. The total spending amount in the bill matches the division's budget target of over \$47.3 million.

Among the appropriations included in the bill are mental health grants to treat trauma among flood victims (\$1.3 million), MinnesotaCare and the Dept.

of Human Service health care programs (\$23.8 million), Medical Assistance eligibility waivers (\$4.5 million), and food stamps for legal non-citizens (\$5.4 million). Funding for cancer screening, health-related boards, the torture victims center, crisis nursery development, and two percent cost of living allowance increases for nursing homes, children's mental health, day training and habilitation, dental, rehabilitation, and managed care services are also included in the bill.

Several Senators offered budget-neutral amendments to clarify language, which were accepted. For example, Sen. Jane Ranum (DFL-Mpls.) offered one to clarify that Temporary Assistance to Needy Families funding can be used to fund pilot projects specified in provisions of the bill. Berglin offered another to provide an accounting clarification in the MinnesotaCare budget to prevent an automatic premium tax levy.

The committee sent the measure to the full Senate.

Sen. Randy Kelly (DFL-St. Paul) presented S.F. 3345, the omnibus crime prevention supplemental budget bill, which makes supplemental appropriations of \$7.6 million. Kelly said the proposal raises \$3.5 million in revenue to create an appropriation with a net effect of \$4.1 million. The proposal appropriates over \$1 million to the Supreme Court to be used for a community justice system collaboration team, community courts in the Second and Fourth Judicial Districts, and a Minneapolis crime data collection system, among other things. The measure also appropriates \$2.9 million for corrections, over \$1 million for District Courts, \$1.6 for public safety services, and other appropriations dealing with the Board on Judicial Standards, public defense, Ombudsman for corrections, trade and economic development, Dept. of Administration, and the Legislative Coordinating Commission.

Kelly offered an amendment, which was adopted, to give flexibility to the Dept. of Corrections to open a facility in Brainerd if other funding sources are found. The committee approved the measure and sent it to the floor.

Omnibus economic bill okayed

The Human Resources Finance Committee, chaired by Sen. Linda Berglin (DFL-Mpls.), heard the presentation of the omnibus economic development bill, Mon., Feb. 23.

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Sen. Tracy Beckman (DFL-Bricelyn) presented S.F. 3367, the supplemental community development bill that recommends a total appropriation of \$40 million from the general fund. Beckman said the bill recommends the appropriation of \$1.4 million to the Dept. of Trade and Economic Development, \$12.7 million to the Dept. of Economic Security, \$23.5 million to the Housing Finance Agency, and the remainder to a variety of other economic development, job creation, and tourism agencies. Among the projects funded in the bill are affordable housing conversion programs (\$10 million), a community rehabilitation program (\$10 million), a grant for East Grand Forks flood recovery (\$200,000), tourism advertising (\$500,000), a revolving loan fund to the Minnesota Film Board (\$500,000), and summer youth employment programs (\$6 million). Beckman said the final sections list the criteria for the funding of community capital projects and the Uniform Unclaimed Property Act of 1995.

Sen. Sheila Kiscaden (R-Rochester) asked Beckman if the youth intervention projects found in the bill overlapped in responsibility and scope with other programs in existence around the state. Beckman said he believed the projects were complimentary in nature and that the Youthbuild program, in particular, focused on the individual needs of the child and young adult rather than the family circumstance.

Berglin asked Beckman if the Metropolitan Council really needed \$250,000 for corridor planning project grants. Berglin and Sen. Randy Kelly (DFL-St. Paul) said the Metro Council currently places levies on property taxes to fund planning projects and grants. Kelly offered an amendment that \$210,000 be removed from the council funding and added to the Minnesota Film Board appropriation request. The committee adopted the amendment.

Sen. Steve Kelley (DFL-Hopkins) provided testimony on the impact of the unclaimed property portion of the bill. Berglin noted the budget tracking figures showed a revenue loss of \$211,000. Kelley disagreed with the fiscal analysis showing a loss through the costs of rule-making and said that the provision was actually revenue generating by allowing the state to retain the funds created, for example, by the sale of abandoned property. Beckman then offered an oral

amendment, which was adopted, to add fiscal impact language to the section to make the provision budget neutral.

Other amendments were offered and adopted. Beckman offered an amendment to establish the Minnesota Family Assets for Independence Initiative in order to leverage federal funding for the program. He also offered an amendment to target housing rehabilitation funding to low-income families. Kelly offered an amendment to an amendment adding St. Paul to a list of tourist sites included in a tour bus pilot project.

The committee approved the bill and sent it to the full Senate.

Bonding recommendations heard

The Human Resources Finance Committee, chaired by Sen. Linda Berglin (DFL-Mpls.), heard testimony on bills under consideration for the committee's omnibus capital budget bill, Tues., Feb. 24.

Sen. Allan Spear (DFL-Mpls.) presented S.F. 1986, a bill that recommends an \$87 million appropriation to the city of Minneapolis to pay principal costs on the city's \$178.9 million general obligation sales tax refunding bonds to complete expansion of the Minneapolis Convention Center. Spear said the current proposal offers a financing package that has the support of the governor and the Dept. of Finance. He said the bill appropriates funds to pay off the city's current bond debt so that new bonds can be issued to finance expansion efforts without damaging the city's bond rating. He added that the expansion would allow the convention center to attract larger national conventions thereby providing economic benefit to the entire state. Sen. Don Samuelson (DFL-Brainerd) said he supported the bill which would bring more tourist dollars to the city and Greater Minnesota.

Samuelson gave a brief presentation of S.F. 3373, the health and family security capital budget bill. He said the division's recommendations match the governor's request of \$29.4 million. Samuelson added that most of the funding is directed at system-wide human services repairs and betterment. Assistant Commission Elaine Timmer, Dept. of Human Services, said funding levels in the bill meet the department's needs at the present time.

Sen. Steven Novak (DFL-New Brighton) presented S.F. 2409, a bill that

sets out the criteria needed to be met before local development projects can receive state funding. Berglin suggested that Novak tighten up the language in the bill to further restrict the flow of local requests into the Legislature.

Sen. Roger Moe (DFL-Erskine) presented two bills, S.F. 2071 and S.F. 2018, that recommend capital appropriations for the Red Lake Training Facilities and the Crookston Valley Technology Park, respectively. Moe said S.F. 2071, a bill that requests a \$2.6 million general fund appropriation, provides pre-employment and job retraining services to over 300 out-of-work families on the Red Lake Reservation. Moe said S.F. 2018 requests a \$750,000 appropriation for the city of Crookston to develop the Valley Technology Park adjacent to the University of Minnesota, Crookston campus. The park will focus on applied high-technology research directed toward agriculture development and marketing, added Moe.

Sen. Randy Kelly (DFL-St. Paul) then presented the Crime Prevention Budget Division's capital budget bill, S.F. 3365. The division's recommendations match the governor's request of \$20.6 million. He said projects include corrections and public safety programs. Berglin said she urged Kelly to focus on projects that direct funding toward renovation and repair of existing facilities rather than new building projects. Kelly asked the committee to consider full funding for the state's law enforcement training facilities and the new building for Bureau of Criminal Apprehension, which had already received pre-design appropriations.

More bonding testimony heard

The Human Resources Finance Committee, chaired by Sen. Linda Berglin (DFL-Mpls.), heard more testimony on bills to be considered for the omnibus capital budget bill, Weds., Feb. 25.

The committee heard testimony on Sen. Tracy Beckman's (DFL-Bricelyn) economic development bonding bill, S.F. 3379. Beckman said the over 40 Senate requests for cash and bond appropriations had totalled more than \$300 million. He said the bill recommends \$182.5 million in appropriations, including \$6.9 million to the Minnesota Historical Society, \$5.5 million to the Dept. of Administration, \$12 million to the Dept. of Trade and Economic Development,

\$2.3 million to the Indian Affairs Council, and \$145.8 million in grants to political subdivisions. “The significant increase in requests for civic centers throughout the state represents a growing trend to build places where families and members of the community, isolated by distance, can join together to participate in community activities,” he said.

Berglin added that the recommendation came in \$42 million over the finance committee’s target. Sen. Sheila Kiscaden (R-Rochester) urged Beckman and Berglin to think about urban to suburban/rural balance in the committee’s appropriations and to correct overall funding inequities to Greater Minnesota.

Over ten Senate sponsors gave brief presentations on bills to be considered in the committee’s final omnibus bill. Among the bills presented were S.F. 2126, authored by Sen. Linda Higgins (DFL-Mpls.), a bill that requests appropriations for the Humboldt Greenway in Minneapolis; S.F. 2394, authored by Sen. Cal Larson (R-Fergus Falls), for the Fergus Falls Convention Center; and Sen. Jerry Janezich’s (DFL-Chislm) two bills, S.F. 2953 and S.F. 2367, requesting state funds for direct iron reduction facilities and a taconite mining grant, respectively.

Most of the discussion, however, centered on the St. Paul RiverCentre expansion project. Sen. Randy Kelly (DFL-St. Paul) presented S.F. 834, a bill that requests \$65 million in state funding to expand the St. Paul RiverCentre to include an arena which will house a National Hockey League franchise. Kelly asked the committee to consider increasing its \$10 million recommendation in light of funding requests from other civic centers around the state, such as the Mayo Civic Center in Rochester, the Duluth Convention Center, and the proposed \$87 million subsidy to the Minneapolis Convention Center.

Beckman said he had been disappointed to read newspaper headlines last summer that the city of St. Paul had forged a hockey arena deal based on the assumption the state would grant \$65 million in funding for the project. Kelly said St. Paul is contractually obligated to fund the arena regardless of the state’s contribution, but that he, the mayor, and the governor had given assurances to stakeholders that they would do everything they could to secure state funding.

Committee members then explored

ways in which St. Paul could cover its funding obligations. Kelly said funding sources that depend on increasing revenues will strap the city financially and asked the committee to consider increasing its funding recommendation.

Jobs, Energy, and Community Development

Biomass energy bill approved

The Jobs, Energy, and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton), met Thurs., Feb. 19, and members approved a bill which clarifies that a public utility that has received the approval of the Public Utilities Commission for a purchase contract for wind or biomass generated electricity investment is entitled to recover the approved investment from ratepayers to the extent the investment is not offset by other utility revenues. S.F. 2679, sponsored by Novak, also expands current law authorizing a biomass fueled power plant to use nonbiomass fuels for up to 25 percent of its fuel, to allow the power facility to exceed the 25 percent exemption without penalty or a charge against the normal 25 percent exemption, when biomass fuel sources are not reasonably available to the facility due to “an act of God,” which is defined as flood, fire, drought, or disease.

Novak said Northern States Power (NSP) and the Minnesota Valley Alfalfa Producers have signed a contract to produce biomass energy from 160,000 acres of alfalfa in the Granite Falls area. He said the project will produce 70 megawatts of power, making it the largest biomass energy project in the world. “To put it in perspective, there probably isn’t 25 megawatts of power being produced from biomass in the U.S. today,” he said.

Novak offered an amendment requiring the commissioner of finance to enter into an agreement with a party that has a contract approved by the Public Utilities Commission to generate the biomass power mandated under state law. The amendment states the agreement must provide that in return for a party entering into a binding contract to design, construct, and operate a biomass energy facility to satisfy the mandate, the state shall indemnify the party for actual losses of outstanding debt caused by a change in the biomass mandate during the guaran-

teed term of a power purchase agreement. Sen. Steve Kelley (DFL-Hopkins) offered an amendment to the amendment requiring the contracted party to exhaust remedies it has against the utility to recover those losses prior to seeking indemnification from the state. Kelly’s amendment and Novak’s amendment were adopted. The bill, as amended, was approved and sent to the Senate floor.

Sen. Douglas Johnson (DFL-Tower) sponsored a bill requiring the Job Skills Partnership Board, in cooperation with the Departments of Trade and Economic Development, Economic Security, and Labor and Industry and the Minnesota State Colleges and Universities (MnSCU), to develop on-the-job training programs to assist companies in training workers in the skilled trades. S.F. 2827 allows the program to include training for immigrants who have completed training in skilled trades outside of the United States and to include English as a Second Language (ESL) specialists and interpreters as necessary. Johnson offered an amendment to appropriate \$500,000 to the Dept. of Trade and Economic Development for the program. The amendment was adopted. The bill, as amended, was approved and sent to the Economic Development Budget Division.

A bill allowing economic security data to be disseminated to human rights agencies in the state was presented by its author, Sen. Don Betzold (DFL-Fridley). Current law allows disclosure of economic security data to “human rights groups.” Betzold explained that S.F. 2583 makes an exception to the Data Privacy Act. The bill strikes a provision that makes not public aggregate data on employers compiled from individual job orders placed with the Dept. of Economic Security, if disclosing the data would identify the employer, and allows the Dept. of Economic Security to disseminate for noncommercial use information about employers in order to assist individuals in finding employment. Betzold said the bill was in the Committee on Rules and Administration so members of the Jobs, Energy and Community Development Committee were not able to take action on the bill.

Database okayed

The Jobs, Energy, and Community Development Committee, chaired by Sen. Steven Novak (DFL-New Brighton),

Committee update

met for the second time Thurs., Feb. 19, and took action on a bill that creates a database of women and minority owned businesses in Minnesota.

S.F. 3322, authored by Novak, directs the commissioner of trade and economic development to construct and maintain a statewide database of minority and women owned small businesses. Novak said at a minimum, the department will combine data from the Department of Administration, the University of Minnesota, the city of Minneapolis, and the city of St. Paul that already have similar databases.

Claudia Osterman, representing the Association of Women Contractors, said that the database will provide one-stop shopping for people who want to do business with minority and women owned firms. Novak said currently the cost estimate of \$300,000 to complete the project from the Dept. of Economic Development is more than the Senate should spend on the data base. "If we can't get the price down I think we will only be studying this idea," he said. The bill was recommended to pass and re-referred to the Economic Development Budget Division.

S.F. 3084, carried by Sen. Jerry Janezich (DFL-Chisholm), provides additional re-employment benefits for individuals on layoff for the Hibbing Taconite Company.

Janezich said people out of work at the mine will be called back in a couple of months and the extension of benefits will give the push they need to make it through a tough time.

Lee Nelson, an attorney with the Dept. of Economic Security told committee members that providing a six week extension of benefits for people in counties with high unemployment was first done more than a decade ago. He said that four extensions have been given including one in 1994 that provided benefits for an additional 13 weeks for workers at National Steel. He added that this past summer benefits were extended for workers in Ada after their jobs were displaced because of the spring flooding. The bill was recommended to pass and sent to the floor.

Budget bill okayed

The Jobs, Energy and Economic Development Committee and the Economic Development Budget Division met in a joint session Fri., Feb. 20, and took

action on the economic development supplemental budget bill. The committees are chaired by Sen. Steven Novak (DFL-New Brighton) and Sen. Tracy Beckman (DFL-Bricelyn) respectively.

S.F. 3367, carried by Beckman, appropriates money from either the general fund or other funds for housing and economic development related issues. Beckman said expenditures in the bill total \$40 million.

Sen. Randy Kelly (DFL-St. Paul) spoke about a portion of the bill that appropriates \$30 million for construction, renovation, and demolition of low income housing in Minnesota. Kelly offered an amendment to redirect \$3 million of the \$10 million appropriation for the Housing Development Fund to provide grants to acquire, demolish and remove substandard, multiple-unit residential rental property or acquire, rehabilitate, and reconfigure multiple-unit residential rental property.

Beckman said the amendment should be defeated because the state will lose matching funds for projects from the federal government. "I am concerned we will lose the ability to leverage the money we are spending if we use it for demolition," Beckman said. The amendment was defeated on a voice vote.

Kelly also voiced concern that not enough money is appropriated, in the bill, for the Film Board and TV Revolving Loan Fund. Kelly said the \$500,000 appropriated for the fund is much less than the \$5 million requested by the governor in his supplemental budget requests. He added that in recent years the movie industry in Minnesota has had substantial economic impact and has brought notice to the state. "This project is underfunded," Kelly said.

S.B. 3367 was recommended to pass and re-referred to the Human Resources Finance Committee.

Judiciary

Living will bill gains

The Judiciary Committee sent six bills to the full Senate, Fri., Feb. 20. Sen. Linda Berglin's (DFL-Mpls.) bill, S.F. 695, dealing with non-profit health care trust agreements generated the most debate over data privacy issues and the investigatory role of the Attorney General's Office.

Sen. Ember Junge (DFL-New Hope)

presented S.F. 2050, a bill that modifies provisions governing advance health care directives by combining current statutes on living wills and durable powers of attorney for health care into one comprehensive law. Junge said substantive changes provide more flexibility in the use of health care directives, and allow patients to coordinate other health care provisions, now separate under current law, and appoint guardians or agents to act on their behalf.

Several Senators offered amendments, which were adopted, to clarify the legislative intent of the bill, particularly in prohibiting euthanasia. Sen. Thomas Neuville (R-Northfield) offered an amendment to put into a patient's medical record the unwillingness of a health care agent, acting on the patient's behalf, to comply with a physician's decision to override a patient's directive to withhold or withdraw treatment that will delay or prevent death. Sen. David Knutson (R-Burnsville) offered an amendment to clarify that health care directives drafted out-of-state cannot supersede current Minnesota statutes prohibiting assisted suicide. Sen. Allan Spear (DFL-Mpls.) offered another amendment to allow a patient who chooses a spiritual means or prayer for treatment to appoint a person to determine the patient's decision-making capacity.

Berglin's bill, S.F. 695, requires that a non-profit health care trust notify, and obtain approval from, the attorney general for the transfer or sale of property to a for-profit corporation. Sen. Don Betzold (DFL-Fridley) said he was concerned about a provision in the bill that requires the written notice to the Attorney General's Office be classified confidential. He said the Data Privacy Act provides that classifying the notice as confidential prohibits the Attorney General's Office from discussing the matter with the hospital or its representatives.

Deputy Attorney General Lucinda Jesson said that privacy statutes gave discretionary powers to her office to conduct investigations and collect testimony from all parties. She said confidentiality was needed, particularly in these cases, to protect the parties from public disclosure of proprietary financial information. Betzold said the Attorney General's Office interprets the privacy

act incorrectly and offered an oral amendment to change the classification from confidential to private. After Jesson expressed her objection to the change, the chair suggested the parties confer privately to see if they could reach agreement on the issue. Berglin later offered a compromise amendment, which was adopted, that classifies the written notice as private but allows the Attorney General's Office to specify which hospital representatives have access to the written notice.

Sen. Randy Kelly (DFL-St. Paul) presented S.F. 2498, a bill that modifies provisions to allow information on adult and juvenile sex offenders to be maintained together for purposes of a criminal investigation. Kelly said current juvenile records statutes state they must be maintained separately. Kelly added that the issue before the committee was not the release of this data to the public, but whether or not criminal investigators and agencies have easy access to databases in order to quickly assess a suspect's probable guilt or innocence in sexual abduction or assault cases, where time is of the essence. The committee approved the measure and sent it to the floor.

Sen. Dean Johnson (R-Willmar) presented S.F. 2222, a bill requiring a town board to establish a cartway upon petition of an owner of a tract of land. Johnson said the bill addresses a specific constituent concern and was resolved by consensus of all interested parties. The committee approved the measure with little discussion.

S.F. 2945, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), enacts the interstate emergency management assistance compact, which establishes a framework for mutual assistance between states for emergency management purposes. Lieutenant Colonel Gary Sigfrinius, Dept. of Military Affairs, said the compact has been signed by 20 states, including Minnesota's neighbors. Stumpf said the compact allows a host of agencies to work together across state boundaries, when the governor declares a state of emergency, to prevent a delay in emergency service relief. Under the compact, Minnesota retains responsibility for covering worker's compensation and death benefits claims but other states assume coverage for potential liability claims in the state where the emergency is declared, said Stumpf. The bill was

sent to the full Senate.

Finally, S.F. 2879, authored by Sen. Jim Vickerman (DFL-Tracy), eliminating a requirement that financing statements and collateral requirements dealing with crops include a land description, was sent to the floor. Vickerman said removing the mandate to include a land description, instead making it optional, reduces filing costs and hassles to farmers who have to repeat or update the legal land description with every financing statement. Andy Steensma, Minnesota Farmers Union, and Lynn Hayes, Farmers Legal Action Group, opposed the bill. They said the current mandate requiring the legal description gives farmers a chance to reflect on the crops and land they are exposing to risk when they sign loan agreements and places responsibility on the debtor to specify the collateral requirements. David Hoelmer, counsel, Farm Credit Services of Southern Minnesota, said the Minnesota Bar Association favors the measure to reduce costs and rid the process of an outdated practice. The committee approved the bill and sent it to the floor.

K-12 Education Budget Division

PSEO bill approved

The K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), approved a bill Fri., Feb. 19, allowing high school pupils participating in the post-secondary enrollment option (PSEO) to participate in high school activities.

The bill, sponsored by Sen. Becky Lourey (DFL-Kerrick), was amended to state that enrolling in a post-secondary course does not prohibit a high school pupil from participating in activities sponsored by the pupil's high school. S.F. 1958 also excludes grades earned in a post-secondary course from a pupil's grade point average and class rank in a secondary school. The bill was approved for inclusion in the division's omnibus bill.

Sen. Ember Junge (DFL-New Hope) carried a bill appropriating funds for grants for a gang prevention and intervention program to provide services to young people who are at risk for criminal gang involvement, and to young people who are interested in ending their gang

affiliation. S.F. 2891 was approved for inclusion in the omnibus bill.

Several bills were approved for further consideration after the division's supplemental budget target is determined. Sen. Linda Scheid (DFL-Brooklyn Park) sponsored S.F. 2428, appropriating \$200,000 in FY 99 to the Dept. of Public Safety for grants to school districts or school bus contractors for passive restraint systems on school buses using the R-bar or a similarly-styled technology. Sen. Claire Robling (R-Prior Lake) sponsored S.F. 2974, appropriating \$180,000 in FY 99 from the general fund for grants to develop and sustain historical educational programming and curriculum designed primarily for elementary and secondary school students. Of the amount appropriated, \$90,000 is for a grant to the Murphy's Landing Living History Village for its education programs and \$90,000 is for a grant to Ironworld for its historical education programs. The bill was also approved for further consideration pending the decision on the budget target.

Pogemiller sponsored S.F. 2760, appropriating \$600,000 from the general fund in FY 99 to establish, renovate, and equip a Minnesota learning resource center. S.F. 2760 requires the appropriation to be used by a nonprofit organization that has developed neurophysiological models for assessing, treating, and teaching children with learning problems, to acquire the space and technology needed to establish and equip the Minnesota Learning Resource Center. The bill was approved for further consideration.

Members decided to delay consideration of several bills until next year. Sen. Linda Higgins (DFL-Mpls.) sponsored a bill appropriating \$2.5 million in FY 99 for a pilot program for affordable and quality driver safety education for students attending public secondary schools. Lourey sponsored S.F. 3148, appropriating \$65,000 in FY 99 from the general fund for a grant to ISD No. 94, Cloquet, to develop a comprehensive system to promote reading readiness and intellectual development for preschool children in the school district and on the Fond du Lac reservation. Sen. Sandra Pappas (DFL-St. Paul) sponsored S.F. 3320, providing additional funding from the general fund in FY 99 for in-school suspension costs that school sites incur.

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Sen. Jerry Janezich (DFL-Chisholm) presented a bill authored by Sen. Tracy Beckman (DFL-Bricelyn). S.F. 2462 funds the state aid deficiency in the interactive television (ITV) program. The bill increases ITV aid from \$4.03 million to \$4.496 million in FY 98, and from \$4.052 million to \$5.856 million in FY 99.

Budget bills considered

The K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), considered supplemental budget bills and a capital budget bill at a meeting Fri., Feb. 20.

The members approved two bills for inclusion in the division's omnibus bill. Sen. Ellen Anderson (DFL-St. Paul) sponsored S.F. 2999, a bill extending the education tax credit to cover fees or tuition for instruction for driver's education from a private entity if the school the student attends offers driver's education as part of a school curriculum. Sen. Steven Morse (DFL-Dakota) sponsored a bill modifying the calculation of debt service equalization for ISD No. 300, La Crescent-Hokah. S.F. 3344 states that, for the purpose of calculating debt service equalization, donations for capital improvements received before June 30, 2000, must be considered as part of the percentage that is required to be raised locally.

Three Senators authored bills appropriating funds for grants to school districts for the reimbursement of additional construction expenditures incurred as a result of the expansion of the state prevailing wage statute. Sen. Kenric Scheevel (R-Preston) sponsored S.F. 2301, a bill appropriating \$6.6 million in FY 99 from the general fund for grants to 14 school districts. Sen. Arlene Lesewski (R-Marshall) sponsored S.F. 2805, a bill appropriating \$400,000 in FY 98 for a grant to ISD No. 2184, Luverne, for a reimbursement grant. Sen. LeRoy Stumpf (DFL-Thief River Falls) sponsored S.F. 2064, a bill appropriating \$290,000 in FY 98 for a grant to ISD No. 390, Lake of the Woods, for a reimbursement grant. The three bills were approved for further consideration for inclusion in the omnibus bill, pending the determination of the division's supplemental budget target.

Sen. Jim Vickerman (DFL-Tracy) sponsored a bill appropriating \$2 million

in FY 99 for a grant to Southwest Telecommunications Cooperative to establish a fiber-optics-based telecommunications network from the city of Jackson to the city of Marshall to link the three existing kindergarten to grade 12 telemedia networks. S.F. 3179 was approved for further consideration, pending the determination of the division's budget target.

Several bills were approved for further consideration after the division's levy target is determined. Sen. Steve Murphy (DFL-Red Wing) sponsored S.F. 3317, a bill authorizing a school district to levy an amount for the salaries of school crossing guards. Sen. James Metzen (DFL-South St. Paul) sponsored S.F. 2858, a bill authorizing a lease levy for special school district No. 6, South St. Paul, so that space previously used for administrative purposes may be used for instructional purposes. Sen. Dick Day (R-Owatonna) sponsored S.F. 2228, a bill authorizing an additional bus purchase levy for a school district. The bill was amended to apply specifically to one qualifying district. Vickerman sponsored S.F. 3173, a bill modifying referendum equalization aid for FY 98 for ISD No. 2862, Jackson County Central, and adjusts the referendum levy authority for the district for FY 98. The bill was approved for further consideration but is subject to further informational review.

Pogemiller sponsored a bill appropriating \$1.84 million in bond funds for the construction of a cooperative education and community center for ISD N. 378, Dawson-Boyd. S.F. 3307 was approved for inclusion in the capital budget bill.

Bills approved for omnibus

The K-12 Education Budget Division considered numerous bills at a meeting Sat., Feb. 21. Members approved several of the bills for inclusion in the division's omnibus bill.

Bills approved for the omnibus bill ranged from a bill amending licensure requirements for teachers of deaf and hard of hearing students, sponsored by Division Chair Lawrence Pogemiller (DFL-Mpls.), to reducing the levy for the Blue Earth school district, sponsored by Sen. Tracy Beckman (DFL-Bricelyn).

Omnibus bill presented

The K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller

(DFL-Mpls.), heard an initial presentation of the K-12 omnibus bill at a meeting Mon., Feb. 23.

The omnibus bill eliminates the State Board of Education and transfers most of its responsibilities to the commissioner of children, families and learning. Several provisions make changes in K-12 special education policy that were recommended by the Joint House and Senate Subcommittee on Special Education. A provision requires the state to pay 70 percent of the neutral costs of due process hearings incurred by school districts in special education cases. There is also a provision allowing a school district to pay or reimburse copayments, coinsurance, deductibles, and other enrollee cost-sharing amounts on behalf of the student in order to better collect third-party payments. The bill creates the "Inter-agency Services for Children with Disabilities Act" to develop an inter-agency intervention service system for disabled children ages 3 to 22.

Several sections of the bill provide school levy simplifications and make compensatory and basic skills funding changes. The bill appropriates funds for one-time additional compensatory revenue for school districts based on free and reduced lunch counts, and eliminates the property tax recognition shift in FY 99. A provision reduces state aid payments to school operating funds, including charter schools, for each school district by an amount equal to 1.64 percent of the salaries paid to members of the Teachers Retirement Association in FY 99.

The bill includes appropriations for grants for implementation of the graduation rule. There is a provision appropriating \$1 million to school districts for reimbursement of the additional construction costs the districts incurred as a result of complying with the prevailing wage change last year. The bill also carries over the appropriation for losses related to the 1997 floods. No action was taken on the bill.

Omnibus bill amended

The K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), considered amendments to the K-12 omnibus bill at a meeting Tues., Feb. 24.

The members decided to delete an amendment they had adopted the

previous day. The amendment strikes statute language that excepts the educational policies of a school district from the "terms and conditions of employment" of professional employees of the school district. The amendment requires school districts to meet and negotiate with professional employees on matters of inherent managerial policy.

Tom Dean, legal counsel of the Minnesota School Boards Association (MSBA), said the provision "will put bitterness and divisiveness back into the contract negotiating process," and the association will not support the omnibus bill if the provision is included. Pogemiller said the amendment meant that education policy considerations such as class size and staff development, along with salaries, were "all on the table" in contract negotiations. He called the MSBA's position "inconsistent," saying, "You can't say you want us to fund shared decisions, and then say you don't want to talk about it at the bargaining table."

Sen. Martha Robertson (R-Minnetonka) said part of the concern about the amendment was that it was not sufficiently debated this year. She made a motion to delete the amendment and the division approved the motion.

Pogemiller offered an amendment appropriating \$1 million in FY 98 for grants to school districts for the reimbursement of additional construction expenditures that were incurred as a result of the districts complying with the prevailing wage change passed by the Legislature last year. The amendment was adopted.

Another amendment, offered by Pogemiller, requires the State Board of Teaching to convene a working group to recommend changes that will make employment data on licensed education personnel more accessible to school districts. The amendment requires the working group to examine the desirability of a central database of employment history of licensed education personnel, and to determine to what extent information regarding complaints against licensed teachers received by the Board of Teaching or the Board of Education and the disciplinary actions by the Board of Teaching or Board of Education should be made available school districts. The amendment was adopted.

An amendment was offered to include a licensed community education instruc-

tor in the definition of teacher upon mutual agreement of a school board and the exclusive bargaining representative of the teachers in a district. The amendment was based on a bill sponsored by Sen. Jim Vickerman (DFL-Tracy). The members decided to postpone consideration of the amendment until next year.

The bill was advanced to the Children, Families and Learning Committee.

Property Taxes and Local Government Budget Division

Property tax relief okayed

Members of the Property Taxes and Local Government Budget Division met Thurs., Feb. 19, to assemble the property tax article of the omnibus tax bill. The panel, chaired by Sen. Sandra Pappas (DFL-St. Paul), reviewed the proposed article and advanced the proposal to the full Committee on Taxes.

This year's proposal reduces the property tax rate on residential homesteads valued in excess of \$75,000 from 1.85 percent of market value to 1.7 percent of market value for taxes payable in 1999, and to 1.6 percent of market value for taxes payable in 2000 and thereafter.

The proposal also makes changes in property tax rates for other classes of property. For class 2a agricultural homesteads the class rate applicable to the market value beyond the house, garage and surrounding one acre of land (HGA), but below \$115,000 is reduced from 0.40 percent of market value to 0.37 percent of market value for taxes payable in 1999 and is reduced to 0.35 percent for taxes payable in 2000 and after. The class rate applicable to the remainder of the first 320 acres that is not included in either the HGA or the first \$115,000 of value is reduced from 0.9 percent to 0.85 percent of market value for taxes payable in 1999 and is further reduced to 0.8 percent for taxes payable in 2000. The class rate for the portion of a class 2a agricultural homestead that is outside the first 320 acres is reduced from 1.4 percent of market value to 1.25 percent of market value for taxes payable in 1999 and to 1.15 percent for taxes payable in 2000 and after.

Class rates for commercial and industrial property are also changed. For class 3a commercial and industrial property, the class rate for the first \$150,000 of

market value is reduced from 2.7 percent to 2.6 percent of market value for taxes payable in 1999 and is further reduced to 2.5 percent for taxes payable in 2000. The class rate for the portion of commercial and industrial property in excess of \$150,000 of market value is reduced from 4 percent to 3.65 percent for taxes payable in 1999 and to 3.5 percent for taxes payable in 2000. For class 3b, employment property, the portion of the property in excess of the first \$50,000 is reduced to 3.5 percent for taxes payable in 2000. Class 3c transit zone property qualifies for a class rate equal to 85 percent of the class rate applicable to class 3a property in excess of the first \$150,000.

The rates for apartments of four or more units are changed from 2.9 percent of market value to 2.65 percent for taxes payable in 1999 and to 2.5 percent for taxes payable in 2000 and after. The rates for apartments in small cities are changed from 2.3 percent of market value to 2.25 percent for taxes payable in 1999 and to 2.15 percent for taxes payable in 2000 and after. The class rate for class 4b non-homestead residential properties, duplexes and triplexes is changed from 2.1 percent of market value to 1.8 percent of market value for taxes payable in 1999.

The class rates for class 4c cabins are changed from 1.4 percent for the first \$75,000 of market value to 1.35 percent for taxes payable in 1999 and to 1.25 percent for taxes payable in 2000. For the portion in excess of \$75,000 the class 4c cabin rate is changed from 2.5 percent to 2.4 percent for taxes payable in 1999 and to 2.2 percent for taxes payable in 2000 and after. The class rate for manufactured home parks remains at 2 percent.

For the other class 4c properties such as seasonal resorts, qualified golf courses, property owned by nonprofit community service organizations and student housing, the existing 2.1 percent class rate is reduced to 1.95 percent for taxes payable in 1999 and to 1.8 percent for taxes payable in 2000 and after.

Other portions of the bill make changes to application procedures for the senior citizen property tax deferral program, provide for local bonding and levy authority, authorize a special taxing district for Brookdale shopping center in Brooklyn Park, provide that revenues derived from the tax increment financing district may be expended for the con-

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struction of the Burnsville amphitheater, provide for the establishment of a redevelopment tax increment financing district to assist in the redevelopment of the Sears site in Minneapolis, authorize the city of West St. Paul and the Dakota County HRA to operate the Signal Hills Redevelopment Tax Increment Financing District, and provide for a freeze on the taconite production tax rate. The bill also repeals the levy limits enacted last year.

State Government Finance

Spending bills okayed

Two major appropriation bills, S.F. 3354, the omnibus state government supplemental appropriations bill, sponsored by Sen. Leonard Price (DFL-Woodbury), and S.F. 3353, the omnibus environment and agriculture supplemental appropriations bill, sponsored by Sen. Steven Morse (DFL-Dakota) were approved at the Fri., Feb. 20, meeting of the State Government Finance Committee. The committee, chaired by Sen. Richard Cohen (DFL-St. Paul), also reviewed and approved the fiscal impacts of a bill establishing graduated driver's licenses.

The bulk of the committee's time was spent on the environment and agriculture spending package. Morse reviewed the provisions of the bill, saying that the total package was \$25,000 under the target. Included in the package, he said, are appropriations for the Minnesota Zoo, the flood hazard mitigation fund, inclusion of the Minnesota Brewery in the Ethanol producers payment program, the Dairy Diagnostics Team program, and the livestock degradation compensation program.

A lively discussion ensued over a provision inserted by the budget division chaired by Morse. Morse said that the provision puts into state law restrictions on motorboats in the Boundary Waters Canoe Area Wilderness (BWCAW) that are currently found in federal law. Morse said that when the congressional act establishing the BWCAW was passed in 1978, it phased out the use of motors in the BWCAW and included a provision allowing Minnesota to enact the same or greater restrictions on motorboat use. However, Morse said, Congress is currently considering legislation that will roll back the motorboat restrictions and

take away Minnesota's authority to institute any restrictions. He said "the section of the bill will hold what we have and puts into place exactly what currently is in federal law." He added that 73 percent of Minnesotans believe that the current restrictions should be maintained or increased.

Cohen asked Morse if the provision has a fiscal impact to which Morse replied "No." Sen. Gary Laidig (R-Stillwater) said that a federal rollback of the restrictions will have a fiscal impact because the state would incur costs by lobbying Congress to reinstate the limits. Laidig urged colleagues to keep the provision in the bill.

Opposition to the provision was voiced by Sen. Bob Lessard (DFL-Int'l. Falls). Lessard, who chairs the committee that considers state environmental policy, said that the provision was inserted without a hearing in his committee. Lessard said that if Congress doesn't pass the rollback bill, there is no need for the BWCAW provision in the budget bill and that he didn't think President Clinton would sign such a bill anyway. Lessard said he objected to the preemptive language in a bill, but assured Morse he would hear the matter if the federal legislation did pass.

Morse said that it will too late to act if Congress passes the bill because the bill takes the state's authority away. Morse said he couldn't get the issue heard in Lessard's committee, so he put it in the budget bill. The Legislature frequently passes preemptive language, he added. Morse then moved to delete the provision from the budget bill but said that he would introduce a separate bill for consideration this year to set the motor restrictions in state law. Morse's motion was adopted.

The panel also removed another provision in the bill upon a motion by Morse. He said that in the budget division, Sen. Charles Berg (IND-Chokio) added language allowing individuals or businesses to dispose of up to 90 gallons of antifreeze per month in municipal wastewater treatment facilities. Morse said that the Pollution Control Agency recommends a maximum limit of only 50 gallons per month.

More heated discussion was sparked by a provision banning snowmobiles on paved state trails if the snowmobile traction belt is equipped with carbide steel studs. Lessard objected to inclusion

of the provision in the budget bill without a hearing in his policy committee. He said that the Dept. of Natural Resources (DNR) should have come to him with the proposal. Patricia Burke, legislative director for the DNR, said the department only recently became aware that the carbide studs were tearing up the trail pavement and didn't have time to request a hearing in the policy committee.

Sen. Jerry Janezich (DFL-Chisholm) said that he was concerned about the effect of the ban on Minnesota snowmobile manufacturers. He asked Morse if the provision should have a delayed effective date because the snowmobile manufacturers are already making next year's models right now. Morse said that the carbide studs are an after market product that are purchased by the snowmobile owner after they buy the machine. Sen. Janet Johnson (DFL-North Branch) said that the carbide studs are wasting tax payers' money. She said that a new state trail in her district was torn up by snowmobiles this winter, but it hasn't even officially opened yet. Morse added that in-line skate manufacturers in the state are negatively impacted by trail destruction. The committee approved the bill as amended and sent it to the Senate floor.

Earlier, the committee considered the other spending bill, S.F. 3354. Price said the bill appropriates \$31 million, including \$24.4 million for the Attorney General's Office, \$100,000 for the Secretary of State's Office, and \$1.2 million for the livestock feedlot generic environmental impact statement. The Dept. of Administration requested \$5 million for the year 2000 project, Price said, but the bill only appropriates \$3.5 million because the department wasn't able to follow through on the initiatives. Price described the other provisions in the bill and then responded to questions.

Sen. Mark Ourada (R-Buffalo) asked why the appropriation for the Attorney General was \$1.5 million greater than the office originally requested last year. Price replied that the office's workload has increased because of laws passed by the Legislature.

Sen. Ember Junge (DFL-New Hope) offered an amendment transferring \$100,000 from the Dept. of Commerce to the Attorney General for efforts to combat telemarketing fraud. The

amendment was adopted. The committee approved a motion by Sen. Dennis Frederickson (R-New Ulm) to endorse the bill and send it to the Senate floor.

Finally, the committee approved a bill, authored by Junge, S.F. 2407, that establishes a graduated driver's license system. She said that after the bill was heard in the Transportation Committee, the Dept. of Transportation found that the bill had a fiscal impact. Junge said that although the program needs an initial appropriation to get started, its long term fiscal impact is positive. The bill was approved and sent to the Senate Floor.

Bonding recommendations heard

The State Government Finance Committee heard the bonding recommendations of the Government Operations Budget Division and the Transportation Budget Division Tues., Feb. 24. Committee Chair Richard Cohen (DFL-St. Paul) said there would be no actions taken on any of the bonding bills heard.

Little discussion occurred on most of the items presented by the budget division chairs.

Transportation Budget Division Chair Janet Johnson (DFL-North Branch) presented her division's bonding proposal, which appropriates \$280.4 million to the Dept. of Transportation (MnDOT). Of that amount, \$56 million is appropriated from the transportation fund to match federal and local funding for the planning, design, engineering, and construction of transitways in the Metropolitan Area. The appropriation includes \$50 million for the preliminary engineering, final design, and construction of light rail transit in the Hiawatha Avenue corridor. The corridor runs from downtown Minneapolis through the Minneapolis-St. Paul International Airport and the site of the former Met Center or surrounding area and will have a terminus in southern Hennepin or northern Dakota County.

The remaining \$6 million is to be distributed as grants to appropriate county regional rail authorities in order to match federal funding for major investment studies, engineering, and implementation in the Riverview and Northstar corridors, study potential transit improvements and engineering studies in the Cedar Avenue corridor, and develop engineering documents for the Northwest corridor commuter rail

line and the commuter rail line from downtown St. Paul to Hastings.

"Our goal is to get people out of their vehicles," said Johnson. "Commuter rail is a nice mix with light rail, and the commuter rail folks are very interested in sharing their rails with us." Johnson said that such a system would be much cheaper than the highway system, which costs \$40 million to \$65 million per mile to construct.

The appropriation to MnDOT includes \$175 million for the reconstruction and replacement of key bridges on the state trunk highway system, and \$34 million from the state transportation fund to match federal funds to replace or rehabilitate local bridges.

"This money would be used to replace fractured critical bridges," said MnDOT employee Dick Swanson. He said that in the 1950s and 1960s, bridges were built to the best standards at the time, which did not take into consideration the increased numbers and weights of loads currently being carried by the bridge.

Governmental Operations Budget Division Chair Leonard Price (DFL-Woodbury) presented a proposal for \$55.7 million in general fund expenditures, and \$16.4 million for trunk highway expenditures.

Price said that he had the embarrassing experience last year of requesting funding to improve the Capitol Square building, and then discovered that various problems such as the vapor barrier and leaking roof required the demolition of the building. Almost \$3.5 million is appropriated for the building's demolition, and the relocation of the Higher Education Services Office and the Dept. of Children, Families, and Learning.

Price also discussed the Capitol Asset Preservation and Replacement (CAPRA) proposal. The \$15 million proposal allows various state and educational agencies to review how state agencies and state higher education institutions plan and budget for ongoing asset preservation needs in capital and operating budgets. The funds also allow the various agencies to examine alternative methodologies and formulas for future requests, in order to present a report to the Legislature that can be used to consider future capital and operating appropriations for CAPRA requests.

Price said the measure also provides \$1.6 million in funds for rebuilding the

Ely Dept. of Revenue building. The building currently houses a "very good Dept. of Revenue debt collecting operation," said Price, "and we came to the decision that it was in our best interest to rebuild the building."

Budget recommendations heard

The State Government Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Weds., Feb. 25, to hear a capital budget recommendation overview for the Environment and Agriculture Budget Division.

Sen. Steven Morse (DFL-Dakota) outlined the recommendations for the finance committee. Morse said the division proposes appropriating \$188.4 million for environmental and agricultural related projects. Morse added that the recommendations are in line with the governor's proposal but incorporate different priorities.

Morse said the budget division recommends general fund appropriations of \$120.4 million to the Dept. of Natural Resources including \$38 million for flood hazard mitigation grants, \$9.8 million for the Metro Regional Parks capital improvement program, \$8.8 million for the critical habitat match program, \$9.5 million for trail acquisition, development and betterment in Minnesota, and \$9.9 million for development of department office facilities.

The budget division, Morse added, recommends that the Office of Environmental Assistance receive \$1 million in general fund expenditures for the capital assistance program to provide grants to local governments to help finance the capital costs of constructing solid waste resource recovery and processing facilities.

Morse said the recommendation for appropriations to the Public Facilities Authority (PFA) total \$44.3 million, including \$15 million for various fund and loan programs that provide matching funds for nonpoint source pollution programs, water pollution control, and safe drinking water programs. He said the budget division also recommends that \$16.3 million be appropriated for waste water infrastructure programs.

The budget division, Morse said, recommends appropriating \$19 million for capital expenditures to the Board of Water and Soil Resources (BWSR). Morse said that \$15 million for the

Committee update

reserve permanent wetlands project, is appropriated to acquire conservation easements and implement easement programs. He added that the BWSR also receives \$3 million for the local government public road replacement program.

Morse added that the recommendations also include \$500,000 to the Dept. of Agriculture for a soybean processing infrastructure grant, and \$3.2 million to the Minnesota Zoo for construction and improvement of roadways, pathways, parking lots, and public plaza areas at the facility.

Committee on Taxes

Tax articles assembled

Members of the Committee on Taxes Sales and Income Tax Subcommittee, chaired by Sen. Steve Murphy (DFL-Red Wing), began assembling the income and sales tax articles of the omnibus bill at a meeting Mon., Feb. 23. The panel also considered numerous amendments.

The bill contains several provisions relating to income tax. Under the measure, two unrelated additions to federal taxable income are created. The first is an addition equal to the additional gain on the sale or taxable disposition of "S" corporation bank stock resulting when the taxpayer has a lower Minnesota basis in the stock than federal basis. There is also an addition for expenses or interest allowed in the computation of federal taxable income but which are items of income not subject to state tax. The measure also specifies that the phase-out of the working family credit for qualifying families with children begins later, thus increasing the credit for families above the current law phase-out level. The proposal also increases the dependent care credit for families with a household income above \$17,430. The measure simplifies Minnesota's individual alternative minimum tax, changes the fraction by which non-residents must compute their Minnesota tax, conforms Minnesota corporate charitable deductions to the federal provisions and sets forth the new rules for situsing receipts of a financial institutions. The proposal also makes the expenses, interest and taxes of any taxpayer which is attributable to income exempt from Minnesota tax, nondeductible.

A second major portion of the proposal sets forth the federal update provisions,

conforming Minnesota law to changes in federal law. Another portion of the proposal makes changes in gaming taxes. The bill removes the sunset date from the tax abatement for the tax on parimutuel pools, reduces the tax on lawful gambling other than pull-tabs and tipboards from 10 percent to 9.5 percent of the gross receipts, reduces the pull-tab and tipboard tax from 2 percent to 1.9 percent of the ideal gross and reduces the rate of the combined receipts tax for various amounts.

The proposal also contains the border city development zones heard earlier by members in a separate bill. The measure designates Breckenridge, East Grand Forks, Dilworth, Moorhead and Ortonville as eligible for tax incentives and economic development.

In the area of sales and excise taxes, the measure provides exemptions for construction materials and supplies that are used for the Duluth Convention Center, the Minneapolis Convention Center and the St. Paul RiverCentre. In addition, the measure provides sales tax exemptions for public libraries and for road, street, or highway construction machinery, equipment and accessories. The measure reduces the sales tax rate on sales of new farm machinery and sales of aquaculture production equipment from 2.5 percent to 2 percent on June 30, 1998, and to 1 percent on June 30, 1999. After June 30, 2000 the sales of new farm machinery and aquaculture production equipment are exempt from the sales tax.

The measure also included a provision authorizing political subdivisions to impose a general sales tax if approved by a referendum conducted at a general election. The measure requires the ballot question to state the use of the proceeds and the date the tax will end. In addition, the measure specifies that the tax must be used for capital improvements and that it must end no more than ten years after the tax is imposed or at the end of the term of the bonds issued to finance the improvement.

The proposal also set the tax rate for cider and provides a definition of cider. Finally, the measure authorizes the city of Burnsville to impose an admissions tax of up to \$2 per admission for events to be conducted at an amphitheater to be constructed in the city.

The only opposition to the measure was aimed at the provision authorizing local governments to impose an addi-

tional sales tax. Bill Blazer of the Minnesota Chamber of Commerce and Judy Cook of the Minnesota Retailers Association both spoke against the provision. Blazer said the Chamber is opposed because the provision leads to reduced accountability, increases complexity, accents tax base disparities and delays sales tax reform. Sen. Sandra Pappas (DFL-St. Paul), offered an amendment deleting the provision from the proposal. The amendment also inserted provisions including the 11 individual bills requesting authority to increase sales tax in individual cities. Pappas said the proposal moves too fast, too soon for statewide application. She also said that there was an advantage to reviewing individual bills because the communities involved had worked together to come to a consensus before appearing before the Legislature with the requests. The amendment was adopted.

Sen. Steven Novak (DFL-New Brighton) offered an amendment removing the sunset on the exemption from sales tax for alternative energy equipment. After several members expressed concern about the cost of the measure, Novak withdrew the amendment, then reoffered it with additional language that delayed the exemption of the sales tax for highway and road equipment. The amendment was then adopted. Pappas successfully offered an amendment to include the Legislative Reference Library and the county law libraries in the provision exempting libraries from sales tax. Pappas also successfully offered an amendment providing for the tax treatment of Roth IRAs. Sen. Ellen Anderson successfully offered an amendment providing for the funding of the employer housing credit.

The bill was approved and advanced to the full committee for incorporation into the omnibus tax bill.

Omnibus tax bill heard

Members of the Committee on Taxes discussed the omnibus tax bill Weds., Feb. 25, and offered over 20 amendments during the four-hour session.

"There's a lot of good things to vote for in the bill," said Committee Chair Douglas Johnson (DFL-Tower). The bill offers \$353.3 million in tax relief, most of which is permanent, he said, and also offers \$25 million of both permanent and temporary tax relief in the income and sales tax provisions.

"We're eliminating levy limits in this bill," he said. Johnson noted that the bill brings the state's aid share of education funding up to 68 percent through a reduction in the general education levy.

Amendments to the comprehensive bill were numerous. Johnson successfully offered an amendment changing the way the education homestead credit is funded, and adding language relating to the budget reserve. The amendment provides that at the time of the November forecast in each odd-numbered year, any positive unrestricted general fund balance excess must first be allocated to increase the budget reserve to five percent of forecast general fund revenues for the biennium. The amendment states 60 percent of any remainder must be allocated to the property tax reform account and 40 percent must be allocated to the general fund's unrestricted balance. The amendment increases the budget reserve by \$100 million on July 1, 1998, and cancels \$504.38 million from the property tax reform account to the general fund.

One significant amendment adopted was offered by Sen. Steve Kelley (DFL-Hopkins). The amendment changes the state refund rates for renters and homeowners, for property taxes payable in 1998 and 1999. Kelley said that the property tax rates at the low end are regressive, and the amendment alleviates some of the regressivity and increases the maximum refund available to most homeowners and renters. "My hope is that when we come back in 1999 the provisions will be made permanent," said Kelley.

Sen. Lawrence Pogemiller (DFL-Mpls.) said that the money going toward the changes should be considered for other areas with greater long-term effects, such as education. Johnson said that he supported Kelley's amendment, because it offers tax relief based on the ability to pay. The amendment was approved on a roll call vote.

Almost every member of the committee had at least one amendment to offer. A significant percentage were adopted. One such amendment, authored by Sen. John Hottinger (DFL-Mankato), revises levy determinations under certain circumstances. Hottinger said the amendment sets up a process for correcting levies when the county auditor incorrectly sets the levy. Sen. Keith Langseth (DFL-Glyndon) successfully offered an amendment including four

counties within the taxing district of the Red River watershed management board. Sen. Jim Vickerman (DFL-Tracy) successfully offered an amendment exempting sales of gravel, certain machinery, and equipment from the sales tax, if used for road construction.

A major amendment not approved by the committee permanently reduces income tax rates, totalling approximately \$1.1 billion per biennium. Offered by Sen. Linda Runbeck (R-Circle Pines), the amendment also mandates that when the Dept. of Finance forecasts a positive unrestricted general fund balance at the close of the biennium, money must first be allocated to the budget reserve until the reserve totals \$522 million. The amendment was defeated 12-6 on a roll-call vote.

The bill was approved and sent to the floor.

Transportation Budget Division

Capital bonding bill approved

The Transportation Budget Division, chaired by Sen. Janet Johnson (DFL-North Branch), approved the transportation capital bonding bill at a meeting Thurs., Feb. 19.

The bonding bill appropriates \$280.429 million to the Dept. of Transportation (MnDOT). Of that amount, \$56 million is appropriated from the transportation fund to match federal and local funding for the planning, design, engineering, and construction of transitways in the Metropolitan Area. The appropriation includes \$50 million for the preliminary engineering, final design, and construction of light rail transit in the Hiawatha Avenue corridor, which will run from downtown Minneapolis through the Minneapolis-St. Paul International Airport and the site of the former Met Center or surrounding area and will have a terminus in southern Hennepin or northern Dakota County. The remaining \$6 million is to be distributed as grants to appropriate county regional rail authorities in order to match federal funding for major investment studies, engineering, and implementation in the Riverview and Northstar corridors, study potential transit improvements and engineering studies in the Cedar Avenue corridor, and develop engineering documents for the Northwest corridor commuter rail

line and the commuter rail line from from downtown St. Paul to Hastings. The metro transitway provision also establishes an advisory committee to the Hiawatha Avenue corridor management committee and specifies the composition of its members.

The appropriation to MnDOT includes \$175 million from the bridge construction account in the trunk highway fund for the reconstruction and replacement of key bridges on the state trunk highway system, and \$34 million from the state transportation fund to match federal funds to replace or rehabilitate local deficient bridges. There is an appropriation of \$9.429 million from the trunk highway fund for design, construction and furnishing of an addition and remodeling of existing space at the MnDOT headquarters facility in St. Cloud. Port development assistance grants are appropriated \$6 million from the transportation fund.

The bonding bill appropriates \$21 million to the Metropolitan Council. The appropriation includes \$12 million to build a transit garage in the East Metropolitan Area to replace the existing Snelling Avenue bus facility. The provision directs the Met Council to consider incorporating a child care facility in the new transit garage to assist in the recruitment and retention of metropolitan transit drivers. There are appropriations of \$4.5 million to upgrade the council's transit communications and control facility and \$4.5 million to match available federal funds for improvements on the I-94 central corridor. In addition, \$2.5 million is appropriated to fund the nonfederal matching requirement for Forest Highway 11 in St. Louis and Lake counties, and \$3 million for transit vehicle replacement for public transit systems receiving operating assistance from the commissioner of transportation.

The bill appropriates \$1.328 million from the trunk highway fund to the Dept. of Public Safety to design, construct, furnish, and equip a new state patrol training facility at Camp Ripley in Little Falls.

The bill, which appropriates \$119.5 million from the state transportation fund, \$185.757 million from the trunk highway fund, and \$3 million from the general fund, authorizes the sale of general obligation bonds and trunk highway bonds to provide the appropriations from the state transportation fund and the trunk highway fund.

Committee update

Sen. Paula Hanson (DFL-Ham Lake) offered an amendment authored by Sen. Sam Solon (DFL-Duluth) to appropriate \$4.2 million for a grant to the Seaway Port Authority of Duluth for construction of a new warehouse. The amendment was adopted. Sen. Dallas Sams (DFL-Staples) offered an amendment to appropriate \$775,000 from the state transportation fund for a grant to the Duluth Transit Authority for facility restoration of the Earl C. Buck Operating Center in Duluth. The amendment was adopted. The bill, as amended, was approved and sent to the Senate floor.

Monday, February 23

Crime, transportation bills passed

Two major bills, S.F. 3345, the omnibus crime prevention and judiciary supplemental appropriations bill, sponsored by Sen. Randy Kelly (DFL-St. Paul), and S.F. 3298, the omnibus transportation supplemental appropriations bill, sponsored by Sen. Janet Johnson (DFL-North Branch), received final passage during the Mon., Feb. 23, floor session. In addition, 13 other bills received final passage on the Calendar and Consent Calendar.

Kelly said that the crime bill appropriates \$7.6 million. The bill is \$1 million above the governor's recommendation because the needs were so great, but he added, the bill raises more revenue than the governor's proposal. Provisions in the bill include a streamlining of the fine payment system to include a \$25 across the board surcharge for all violations, a \$1.5 million appropriation to use prison labor to build affordable housing in Greater Minnesota, \$500,000 for a program to study the behavior of people released on bail, and \$750,000 to monitor DWI offenders.

Sen. Tom Neuville (R-Northfield) successfully offered three amendments to the bill. The amendments require that 50 percent of "Weed and Seed" program funds go to Greater Minnesota, that the Dept. of Corrections consult with the Dept. of Health on reducing the cost of providing healthcare to prisoners, and that state agency reports to chairs of the Legislative crime prevention committees also go to the ranking minority members of the committees.

Sen. Paula Hanson (DFL-Ham Lake) voiced objection to the removal of the penalty assessment for construction zone

speeding violations. Sen. Janet Johnson (DFL-North Branch) agreed with Hanson, saying that the penalty assessments fund a program to educate offenders on the dangers of speeding in construction zones. Hanson's motion to strike the provision was adopted.

Sen. Cal Larson (R-Fergus Falls) offered an amendment clarifying the law requiring drivers to yield to pedestrians in crosswalks, but withdrew it when the amendment's germaneness was questioned. Sen. Carol Flynn (DFL-Mpls.) said the amendment was more of a transportation issue. The bill was given its third reading and passed on a 62-2 roll call vote.

Later, the Senate took up Johnson's transportation funding bill. Johnson said that she was disappointed that with the projected budget surplus the governor didn't recommend more money for public transit or highway and bridge construction. In reviewing the features of the bill, she said that the measure appropriates \$50,000 to study vehicle registration fraud. Johnson said that abuse of the system results in estimated revenue losses to the state of \$10-20 million per year.

Initially the package contained a provision making failure to wear a seat belt while driving a primary offense, but Johnson offered an amendment removing the provision because a similar bill failed to gain Senate approval earlier in the session. The amendment was adopted on a voice vote.

Considerable discussion focused on an amendment offered by Sen. Mark Ourada (R-Buffalo). The amendment removed appropriations from the Trunk Highway Fund for nonhighway purposes. Ourada said the state constitution prohibits such expenditures and the bill contains appropriations for tort claims and statewide indirect costs out of the Trunk Highway Fund. Ourada said the amendment could create a \$13 million hole in the budget, but the matter needs to be decided.

Johnson opposed the amendment and said that the Transportation Committee suggested getting an advisory opinion from the Attorney General, and then holding interim hearings on the matter. Flynn also opposed the amendment, saying the interpretation of "highway purpose" has changed over time. She said that some Court rulings have included construction in highway corridors as a highway purpose which

would allow use of the fund for public transit purposes. Flynn added that the Transportation Committee has been reluctant to use that ruling to justify transit construction with Trunk Highway Fund dollars because of rural highway construction project reliance on the fund. Flynn added that the appropriations in the bill arise from highway related situations. Ourada withdrew the amendment, and the bill was passed on a 58-2 roll call vote.

Bills granted preliminary passage

In addition to acting on the supplementary budget bills, members also considered more than 30 bills on the General Orders. Senators granted preliminary passage to the following bills with little debate or amendment. S.F. 2368, authored by Sen. Allan Spear (DFL-Mpls.), expressly approves an addition to the sentencing guidelines commentary. S.F. 2365, carried by Sen. Jane Ranum (DFL-Mpls.), provides that a person adjudicated as an extended jurisdiction juvenile who has a stay of execution revoked may not receive credit for time served in a juvenile facility. S.F. 2182, also carried by Ranum, clarifies and updates the language of the harassment statutes to included faxes. S.F. 2351, sponsored by Sen. Jim Vickerman (DFL-Tracy), adds to and deletes from several state parks, creates a new recreation area and provides for a state park permit exemption. S.F. 1076, authored by Sen. Dallas Sams (DFL-Staples), requires health plan coverage for use of off-label drugs.

S.F. 2362, carried by Sen. David Ten Eyck (DFL-East Gull Lake), modifies membership of the Forest Resources Council by adding a representative of the tribal entities. S.F. 2087, sponsored by Sen. Linda Berglin (DFL-Mpls.), authorizes a county attorney to file a juvenile petition, alleging a child to be both delinquent and in need of protection or services in cases where a child is involved in prostitution, increases criminal penalties for certain prostitution offenses and requires the collection of information on the investigation and prosecution of certain prostitution crimes and the use of penalty assessments imposed on prostitution offenders. S.F. 1151, sponsored by Sen. Pat Piper (DFL-Austin), changes provisions on the appointment of guardians and conservators. S.F. 2495, authored by Sen. Dave Kleis (R-St.

Cloud), modifies the requirement to allow inmates to participate in religious activities, provides for autopsies at correctional institutions, exempts the campus at the state juvenile correctional facility at Red Wing from the 100 bed limitation for long-term residential secure programming and includes at-risk youth and girls in the Camp Ripley weekend camp.

S.F. 2545, carried by Sen. Ember Junge (DFL-New Hope), requires individuals convicted of felony indecent exposure to register as predatory offenders. S.F. 2574, carried by Ten Eyck, authorizes the Headwaters Regional Development Commission to establish a nonprofit housing corporation. S.F. 2734, sponsored by Kleis, regulates collection agencies and exempts out-of-state agencies from regulation. S.F. 2426, authored by Berglin, increases the maximum financial reserves permitted for health maintenance organizations. S.F. 2699, carried by Sen. Becky Lourey (DFL-Kerrick), is a resolution memorializing the Congress of the United States to remove Medicaid policy barriers to employment for people with disabilities. S.F. 2718 sponsored by Sen. Steve Kelley (DFL-Hopkins), amends the state telephone assistance program to match federal requirements, requires the Dept. of Human Services to automatically enroll eligible persons based on information in state information systems, increases the TAP surcharge and requires the Public Utilities Commission to develop and implement state universal service fund by Dec. 31, 2000.

S.F. 3092, carried by Sen. James Metzen (DFL-South St. Paul), requires the dispensing of ephedrine through prescription, restricts the sale, marketing and possession of ephedrine and provides criminal penalties.

S.F. 2669, authored by Sen. John Hottinger (DFL-Mankato), allows greater use of arrangements with businesses when providing day training and habilitation services and directs the commissioner of human services to develop a more flexible rate variance mechanism for day training habilitation services vendors. S.F. 2355, carried by Lourey, modifies requirements for documentation of long-term facility payrolls. S.F. 3118, authored by Sen. Bob Lessard (DFL-Int'l. Falls), modifies provisions for a timber permit extension. S.F. 2892, carried by Lourey, modifies the terms of a tax forfeited land sale in Carlton County,

authorizes the private sale of land in Aitkin County, authorizes the conveyance of state land to the city of Faribault and authorizes the sale of tax forfeited land that borders public water in Douglas County. S.F. 2354, sponsored by Sen. Sheila Kiscaden (R-Rochester), modifies provisions governing the public employees insurance program. S.F. 2737, authored by Junge, clarifies provisions for recognition of orders for protection from other jurisdictions and provides that certain mutual orders are not entitled to full faith and credit.

S.F. 2373, sponsored by Sen. Don Betzold (DFL-Fridley), modifies provisions governing release on pass for persons committed as mentally ill and dangerous and allows temporary jail confinement of persons subject to commitment as sexual psychopathic personalities or sexually dangerous persons. H.F. 2590, carried by Metzen, corrects a reference relating to civil penalties relating to landlords and tenants and provides for interest rates on security deposits. S.F. 3063, sponsored by Piper, authorizes the public sale of land in Mower County. S.F. 2594, carried by Sen. Leo Foley (DFL-Fridley), clarifies laws relating to contributing to a child's delinquency, status as a juvenile petty offender, or need for protection or services and imposes civil and criminal penalties. S.F. 2609, authored by Sen. Dean Johnson (R-Willmar), provides for design-build contracts.

S.F. 481, sponsored by Lourey, establishes threshold limits for rehabilitative and therapeutic services covered under Medical Assistance. S.F. 3068, authored by Sen. Linda Runbeck (R-Circle Pines), modifies reporting requirements relating to workers' compensation and eliminates certain reimbursement requirements. S.F. 2729, carried by Spear, allows advertisements, public art, and informational signs to be placed on bicycle racks and bicycle storage facilities on highway right-of-way. S.F. 2199, authored by Sen. Dave Johnson (DFL-Bloomington), requires professional bail bonding agents who perform bail bond enforcement services to be licensed as private detectives and clarifies an exemption to the private detective and protective agency licensing provisions. S.F. 2663, also sponsored by Sen. Dave Johnson, expands the stalking and harassment law to include acts involving injury to reputation and provides enhanced penalties for harass-

ments of a peace officer in retaliation for the officer's performance of official duties in connection with a criminal investigation. S.F. 1001, carried by Sen. Steven Kelley, provides immunity for activities of the Board of Psychology.

Tuesday, February 24

Environment bill passed

The first portion of the floor session, Tues. Feb. 23, was devoted to consideration of the environment, natural resources, and agriculture omnibus supplemental budget bill, S.F. 3353. Debate on the measure centered on a provision to impose a milk tax. "A milk tax is like taxing motherhood and apple pie," said Sen. Ellen Anderson (DFL-St. Paul). Discussion also focused on provisions to require a permit under the Clean Water Act for large feedlots, subsidies to convert the Minnesota Brewing Company into an ethanol production plant, and an amendment to fund a best management practices study.

Sen. Steven Morse (DFL-Dakota) outlined the provisions of the environment and agriculture bill. He said the bill allocates \$15.5 million for various programs, a decrease of \$5.2 million from the governor's recommendations. He said the bill also allocates \$1.4 million to the Pollution Control Agency, \$1.5 million to the Minnesota Zoo, \$8.5 million to the Dept. of Natural Resources (DNR), \$2.3 million to the Minnesota Board of Water and Soil Resources, \$3.9 million to the Dept. of Agriculture, \$340,000 to the Board of Animal Health and Forest Resources Council.

Among the specific programs to receive funding are the county feedlot grants (\$400,000), flood hazard mitigation (\$1.6 million--an increase over the governor's recommendation of \$300,000), wildlife habitat improvement (\$2.14 million), public access to DNR electronic data through the internet (\$1.19 million), dairy diagnostic teams to improve practices and profitability (\$2 million), and the administration of the Reinvest in Minnesota license plate program (\$1.7 million).

Sen. Charles Wiger (DFL-North St. Paul) offered an amendment to delete sections of the bill dealing with a milk tax. Wiger said he appreciated the committee's intent to provide loans and technical assistance to small dairy farmers, but a milk tax was unfair,

Committee update

irresponsible, and unacceptable to the public.

Debate followed on the Wiger amendment and centered on alternative ways to assist small dairy farmers. Sen. Becky Lourey (DFL-Kerrick), the author of the original bill, admitted the provision had changed from her original intent but defended the milk tax saying she wanted to do everything she could to protect and assist small dairy farmers. She said she did not agree that the milk assessment on distributors would necessarily lead to higher consumer prices and urged members to consider the number of dairy farmers Minnesota loses per day. Morse added that the provision includes exemptions for schools, for example, and could generate \$17 million a year in revenues depending on milk prices. Sen. Dallas Sams (DFL-Staples) said he opposed the amendment and urged dairy distributors to come forward to help producers. He added that dairy diagnostic teams, funded by the milk tax, were often very effective in increasing profitably and efficiency among dairy producers.

Sen. Don Betzold (DFL-Fridley) recalled that the Legislature's decision in 1993 to impose a milk tax led immediately to an increase in milk prices and a consumer backlash. He said, "We were tripping over ourselves to repeal the provision." Sen. Sheila Kiscaden (R-Rochester) said the Legislature had other choices to assist dairy farmers and a milk tax was unfair to middle class families. Morse said Kiscaden's efforts to raise the sales tax in Rochester to fund the city's civic center was also unfair to middle class families. Kiscaden responded that voters in Rochester would have a chance to reject the sales tax but would have no choice to repeal the milk tax.

Sen. Kenric Scheevel (R-Preston) said he wanted desperately to help dairy farmers and asked Legislators to rise to the challenge to use surplus budget funds to address the issue. Sen. Richard Cohen (DFL-St.Paul) said funds could be made available through the ad hoc budget process and a request by the governor to provide funding, but reminded members that the environment supplemental budget bill must balance by the end of the day.

Sen. Gary Laidig (R-Stillwater) offered an amendment to the Wiger amendment, which was defeated, to delete funding in the omnibus bill for erosion relief for Willernie.

The Wiger amendment to delete milk tax provisions from the omnibus bill was adopted in a 49-15 roll call vote.

Senators also debated a section in the bill to provide subsidies to the Minnesota Brewing Company to convert its brewery into an ethanol plant. Sen. Edward Oliver (R-Deephaven) asked Morse if the intention of the provision is to provide a corporate subsidy. Morse said the intention is to prevent the brewery from closing down and displacing up to 125 workers. He added that a newly-converted ethanol plant protects the jobs of old workers, creates between 25-50 new jobs, and provides new skills and living wages to all workers at the former brewery. Sen. Douglas Johnson (DFL-Tower) and Sen. Charles Berg (IND-Chokio) opposed the provision. Sen. Sandra Pappas (DFL-St. Paul) said she supported the provision as a creative way to transfer job skills and that it represented a unique urban/rural partnership.

Scheevel offered an amendment to delete a provision in the bill that expands permitting activities, under the federal Clean Water Act, of feedlots in excess of 1,000 animal units. Scheevel said this proposal should have been offered to the policy committee and complicates efforts to gain permits for large feedlots. Sen. Arlene Lesewski (R-Marshall) said the provision had the same effect as putting a 2-year moratorium on large feedlots.

Morse said the bill provides an incremental approach to meeting federal requirements and affects only those large feedlots that pose the greatest potential environmental risk. The amendment failed on a 14-46 roll call vote.

Laidig offered an amendment to provide a \$25,000 grant to the University of Minnesota to study the cause of wolf depredation on farms and to offer best management practices guidelines. Sens. Douglas Johnson, Berg, Bob Lessard (DFL-Int'l. Falls), and LeRoy Stumpf (DFL-Thief River Falls) opposed the amendment. Sen. Janet Johnson (DFL-North Branch) supported the amendment saying best management practices guidelines could save farmers anguish and reduce livestock loss. Morse offered an oral amendment, which was adopted, to the Laidig amendment deleting an enforcement section. The Laidig amendment was adopted on a 31-24 roll call vote.

Other amendments were offered and adopted. Morse offered an amendment

to provide \$2 million in FY 1999 for cost-sharing contracts grants to soil and water conservation districts for water quality management on dairy facility feedlots. Anderson offered an amendment that the ethanol production plant in St. Paul must provide year-round public access to a fresh water spring well on the grounds as a condition of receiving state funds. Sen. Dennis Frederickson (R-New Ulm) offered one to give the authority to local road officials to permit a person operating a snowmobile with studs to cross a hard-surfaced road. Sen. Pat Pariseau (R-Farmington) offered an amendment to require the Pollution Control Agency to report back to the Legislature any rules or amendments it adopts regarding above ground storage tanks.

The environment and natural resources omnibus supplemental budget bill was granted final passage on a 55-9 roll call vote.

Human services bill okayed

Most of the afternoon portion of the Tues., Feb. 24, floor session was devoted to debating the omnibus health and human services supplemental budget bill, S.F. 3346. Sen. Don Samuelson (DFL-Brainerd), chair of the division that developed the package, said the bill meets the target set by Senate leadership and contains the same total as the governor's recommendation, \$47.3 million. Among the highlights of the bill, Samuelson said are an extension of the food stamp program for legal non-citizens, increased grants for children's mental health, a two percent cost of living adjustment for community health care services, nursing homes, dental, day training and habilitation and managed care services and an increase in income limits for people using Medical Assistance and General Assistance Medical Care. Samuelson also noted that the measure returns \$240 million to the general fund because expenditures for entitlement programs are down as a result of the booming economy. Other highlights of the measure include \$24 million to delay the decrease in housing subsidies for families on welfare, \$3 million for fetal alcohol syndrome prevention and treatment, nearly \$1 million for breast and cervical cancer screening, and \$250,000 for a study on respiratory-related cancer of individuals living on the Iron Range.

Debate on the measure centered on

dozens of amendments offered to the bill. Several of the amendments centered on removing a \$250,000 appropriation for family planning clinics. The amendments were all unsuccessful.

An amendment, offered by Sen. John Marty (DFL-Roseville), to request that the governor request Indian tribes that operate casinos to contribute \$643,000 for compulsive gambling treatment and prevention efforts. Marty acknowledged that the tribal entities could not be required to make the contribution, but said that the bill simply asks the governor to make a request. Marty said that an additional appropriation in the bill is designated to be taken from the lottery prize fund. The amendment was adopted.

An amendment, offered by Sen. Linda Berglin (DFL-Mpls.), directs the commissioner of human services to create a purchasing pool for health care insurance for those MinnesotaCare enrollees whose income is at or above 275 percent of the federal poverty guidelines. Berglin said that currently there are people still in the MinnesotaCare program, even though their incomes have risen, because they have not been able to purchase health care insurance. Sen. Sheila Kiscaden, offered an amendment to the amendment, clarifying that the new pooling mechanism is designed for those individuals whose income is too high for MinnesotaCare. Both the Kiscaden amendment to the amendment and the Berglin amendment were adopted.

An amendment, offered by Sen. Dean Johnson (R-Willmar), appropriates \$500,000 from the Minnesota lottery prize fund to be used for Project Turnabout in Granite Falls. Johnson said the program is a residential treatment center for compulsive gambling and that the funds are needed to upgrade facilities.

An amendment, offered by Sen. Arlene Lesewski (R-Marshall), specifies that for medical assistance purposes, gender reassignment surgery and other gender reassignment medical procedures including drug therapy for gender reassignment are not medically necessary and do not qualify for medical assistance. The amendment was adopted.

Members also adopted an amendment, offered by Sen. Becky Lourey (DFL-Kerrick), providing that the commissioner of health is to expend federal funds for abstinence education programs provided under federal law and state matching funds for abstinence education

programs only to an abstinence education program that complies with the state plan that has been submitted to the federal Dept. of Health and Human Services.

An amendment, offered by Sen. David Ten Eyck (DFL-East Gull Lake), sparked considerable debate. The amendment requires health plan enrollees have a choice of any provider who is willing to accept the health plan's operating terms and conditions, schedule of fees, covered expenses and utilization regulations. Kiscaden argued against the amendment and said that adoption of the provision would result in higher costs and in fewer people being covered by health insurance. Several Senators said that although the idea was appealing, the costs would be prohibitive and that they had reluctantly decided not to support the provision. The amendment failed.

The bill was granted final passage on a 64-0 unanimous roll call vote.

Wednesday, February 25

Omnibus bills passed

The Weds., Feb. 25, floor session was devoted to debate on two of the omnibus supplemental appropriation bills. Both the economic development budget bill, S.F. 3367, and the Governmental Operations budget bill, S.F. 3354, were granted final passage.

Sen. Tracy Beckman (DFL-Bricelyn) outlined the provisions of the economic development bill. Beckman said the bill appropriates a total of \$40 million from the general fund with \$23.5 million for housing programs and approximately \$10 million for programs related to jobs. Beckman called the bill landmark legislation for the state because it will go a long way toward addressing affordable housing needs.

Beckman said the bill appropriates \$1.7 million to the Dept. of Trade and Economic Development including \$200,000 for a grant for East Grand Forks flood recovery to fill funding gaps left by other programs, \$500,000 for tourism advertising, \$710,000 to the Minnesota Film Board for a revolving fund to make loans available for film productions in Minnesota, and \$150,000 for the Jobs Skills Partnership Board to assist companies in training workers in the skilled trades.

Beckman said \$12.7 million in funding for the Dept. of Economic Security includes \$1.4 million for updating radio

talking book receivers and creating digital infrastructure for the state services for the Blind Communication Center, \$1.5 million for extended employment training for welfare to work individuals, \$1.4 million to equally fund 50 youth intervention programs throughout the state, and \$6 million for summer youth employment. He added that the bill also includes \$80,000 for the Indian Affairs Council to help fund a national Indian conference and \$100,000 to the Dept. of Labor and Industry for a new program that provides information to foreign language speaking workers about their employment rights.

Sen. Edward Oliver (R-Deephaven) commented that \$100,000 seems like a lot of money for the creation of a brochure to inform employees of their rights. Beckman replied that the expenditure is within reason because the program is statewide and background work must be done to determine the ten languages that will be included in the brochure.

The provision of the bill receiving the most scrutiny during the floor session was a \$23.5 million that is appropriation to the Housing Finance Agency's housing programs. Beckman said \$10 million is for owners converting affordable housing, under federal subsidy programs to market rate rents and \$10 million is for a community rehabilitation program to address local housing needs.

Beckman said the lion's share of funding in the bill goes for housing because the state has an opportunity to leverage with federal funds. Sen. Martha Robertson (R-Minnetonka) asked for clarification on the purpose of spending \$10 million for the affordable rental investment fund. Beckman said the Housing Finance Agency came to the Legislature with a program to keep housing affordable in the state that will allow them to sit down a negotiate with owners. He added that the \$10 million allows the state to reach only about half the need for such a program.

Sen. Linda Runbeck (R-Circle Pines) proposed an amendment, that was defeated, to delete a portion of the bill providing \$200,000 to the commissioner of administration for two \$100,000 grants for the Healthy Homes project, a pilot program to provide information to homeowners and industry on using safe housing materials. Runbeck said the provision has good intentions but

Committee update

builders and developers are dealing with the problem in the market place.

Sen. Ellen Anderson (DFL-St. Paul) urged members to oppose the amendment because members of the community need to work together and if the state is going to spend almost \$25 million to build and renovate housing it should put some money into making sure those homes are made of safe materials. The bill was granted final passage on a 50-14 roll call vote.

The second measure, the omnibus governmental operations supplemental budget bill, was presented by Sen. Leonard Price (DFL-Woodbury). Price said the bill appropriates \$31 million for the general administrative operations of state government including \$24.4 million for the entire 1999 budget for the Office of the Attorney General, which was vetoed by the governor last year. The bill also includes \$3.5 million to address the year 2000 computer software problem, and \$1.2 million to develop a generic environmental impact statement (GEIS) for animal feedlots.

Price said the bill also appropriates \$100,000 to the Secretary of State to make changes in the statewide voter registration system to facilitate the reassignment of voters to the correct precinct and election districts following legislative redistricting in 2002, \$731,000 to the Dept. of Revenue to expand the Minnesota Collection Enterprise, and \$700,000 to the Minnesota State Retirement System to allow constitutional officers and legislators with less than six years of service to become members of the unclassified employees retirement plan.

Sen. Dan Stevens (R-Mora) proposed an amendment to reduce the appropriations for the Office of the Attorney General to \$22.9 million, the 1997 level passed by the Legislature and to increase the appropriation for the year 2000 project to \$5 million.

Price defended the \$24 million for the Attorney General's Office and said the Legislature has created extra work for the office in the areas of consumer protection and crime. Price said many parties came before the committee requesting funds and the Attorney General's Office made the strongest case. He added there are problems with the year 2000 funding because the committee was not able to get firm numbers on how much needed to be spent to correct the problem. "This is

our best effort and we may need to come back to this issue in the future," Price said. The amendment was defeated 24-34 on a roll call vote.

Stevens also presented an amendment, which was defeated 22-27, that would have deleted a section of the bill to transfer workers' compensation judges at the Dept. of Labor and Industry to a new settlement division of the Office of Administrative Hearings. The provision also transfers the Smalls Claims Court at the Department of Labor and Industry to the Office of Administrative Hearings and changes the name of settlement judges to compensation judges. Sen. James Metzen (DFL-South St. Paul) said the provision was approved in committee on a unanimous vote. "You don't change a system that is settling two-thirds of its cases in 30 to 60 days," Metzen added.

Sen. David Knutson (R-Burnsville) proposed an amendment to mandate that the board, created in the bill to study appropriate funding for the Office of Attorney General, must employ attorneys other than those employed by the attorney general to provide all necessary legal services. The amendment also provided that the board may request advice from the chief justice of the Supreme Court on the proper compensation for legal counsel. Knutson said the amendment was necessary because the attorney general is a partisan office. Price argued against the amendment because the attorney general's office provides legal services at a reduced cost and if the parties have a conflict the board can request outside council. The amendment was defeated 24-35.

Sen. Thomas Neuville (R-Northfield), offered an amendment providing that the attorney general may not enter into any settlement agreement relating to the current state tobacco lawsuit unless the terms of the settlement agreement have first been approved by the governor. Neuville said the amendment also requires that if there is a national settlement of tobacco litigation that provides any proceeds to Minnesota, the proceeds must be deposited in the general fund. Neuville said the amendment is necessary because of the large outside attorney fees that have been agreed to by the attorney general. "The legislature and the governor need to retain some control over the process," Neuville said.

Sen. John Hottinger (DFL-Mankato) said he opposed the amendment because

deciding whether or not to settle a court case is not the job of the governor and he does not want the Legislature getting into a situation where it is affecting the outcome of a court case. The amendment was defeated on a roll-call vote 27-37.

Neuville authored an additional amendment to stipulate that any money paid to the Minnesota as part of a tobacco settlement must be deposited in the state treasury and credited to the general fund. The amendment was defeated 30-34 on a roll call vote.

An amendment to restrict the attorney general from appearing by name, voice, or image in public service announcements paid for by the Office of the Attorney General was offered by Neuville. Neuville said the provision should be approved because the attorney general is running for governor it is not appropriate for him to promote himself using state funds. Sen. Steve Kelley (DFL-Hopkins) proposed an amendment, that was adopted, to the Neuville amendment to include all constitutional officers in the prohibition. "If we are going to apply this to the attorney general we should apply it to all constitutional officers because that is only fair," Kelly said. The Neuville amendment was defeated 26-37 on a roll call vote.

S.F. 3354 was granted final passage on a 58-6 roll call vote.

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Floor action

Monday, February 23

Bills granted final passage on Special Orders

S.F. 3345-Kelly: Appropriates money for the judicial branch, public safety, corrections, criminal justice, crime prevention programs and related purposes. 62-2

S.F. 3298-Johnson, J.B.: Appropriates money for transportation, public safety and other purposes; redistributes five percent of highway user tax distribution fund; creates flexible highway, town road and town bridge accounts; makes driving without a seat belt fastened a primary offense; exempts air ambulance aircraft from registration and tax; establishes midtown planning and coordination board; establishes dealer licensing and motor vehicle registration enforcement task force; and requires vehicle registration and insurance study. 58-2

Bills granted final passage on the Calendar

H.F. 2828-Morse: Modifies the authority of the commission of health to approve public water supplies and provides for administrative fines against large public water suppliers. 58-0

S.F. 2047-Novak: Regulates sales of manufactured home and authorizes limited dealer's licenses in specific circumstances. 61-0

S.F. 2608-Wiener: Provides basic Medicare supplement plan coverage for diabetes equipment and supplies and increases the maximum lifetime benefit for policies of the comprehensive health insurance plan. 62-0

H.F. 2417-Pogemiller: A resolution memorializing Congress to support the admission of Poland the Czech Republic and the Republic of Hungary to the North Atlantic Treaty Organization. 60-0

S.F. 2192-Frederickson: Clarifies the application of statutory requirements for corporations created by political subdivisions and authorizes the ratification of a nonprofit corporation by Brown County. 61-1

S.F. 2516-Stevens: Modifies provisions on experimental or research projects in the Dept. of Employee Relations. 63-0

S.F. 2605-Piper: Authorizes the governor to enter into an agreement with the United States Nuclear Regulatory Commission. 63-0

S.F. 2572-Betzold: Clarifies the definition of child in need of protection or services. 60-0

S.F. 2659-Wiener: Regulates life insurance company investments and financial transactions and regulates qualified long-term care, modifies the definition of chronically ill individual. 63-0

S.F. 2266-Belanger: Recodifies the tax on petroleum and special fuels and provides civil and criminal penalties. 63-0

S.F. 2570-Belanger: Makes technical changes to income, franchise, sales, excise, property, healthcare provider and gambling taxes, makes technical changes to tax administrative provisions and require mandate explanations to be attached to legislative bills before committee hearings. 63-0

Bills granted final passage on the Consent Calendar

S.F. 2457-Flynn: Makes permanent a temporary provision about the Minnesota Housing Finance Agency's meetings. 63-0

S.F. 2902-Anderson: Provides that an interpreter may be

present when the grand jury is deliberating. 63-0

S.F. 2695-Johnson, D.H.: Clarifies repeat offender penalties for theft crimes. 63-0

Bills granted preliminary passage on General Orders

S.F. 2368-Spear: Expressly approves an addition to the sentencing guidelines commentary.

S.F. 2365-Ranum: Provides that a person adjudicated as an extended jurisdiction juvenile who has a stay of execution revoked shall not receive credit for time served in a juvenile facility.

S.F. 2182-Ranum: Clarifies and updates the language of the harassment statutes.

S.F. 2351-Vickerman: Adds to and deletes from state parks, creates a new recreation area and provides for a state park permit exemption.

S.F. 1076-Sams: Requires health plan coverage for off-label use of drugs.

S.F. 2362-Ten Eyck: Modifies membership of the Forest Resources Council by adding a representative of the tribal entities.

S.F. 2087-Berglin: Authorizes a county attorney to file a juvenile petition, alleging a child to be both delinquent and in need of protection or services in cases where a child is involved in prostitution, increases criminal penalties for certain prostitution offenses and requires the collection of information on the investigation and prosecution of certain prostitution crimes and the use of penalty assessments imposed on prostitution offenders.

S.F. 1151-Piper: Changes provisions on appointment of guardians and conservators.

S.F. 2495-Kleis: Modifies requirement to allow inmates to participate in religious activities, provides for autopsies at correction institutions; exempts the campus at the state juvenile correctional facility at Red Wing from the 100 bed limitation for long-term residential secure programming and includes at-risk youth and girls in the Camp Ripley weekend camp.

S.F. 2545-Junge: Requires individuals convicted of felony indecent exposure to register as predatory offenders.

S.F. 2574-Ten Eyck: Authorizes the Headwaters Regional Development Commission to establish a nonprofit housing corporation.

S.F. 2734-Kleis: Regulates collection agencies and exempts out-of-state agencies from regulation.

S.F. 2426-Berglin: Increases the maximum financial reserves permitted for health maintenance organizations.

S.F. 2699-Lourey: A resolution memorializing the Congress of the United State to remove Medicaid policy barriers to employment for people with disabilities.

S.F. 2718-Kelley, S.P.: Amends the state telephone assistance program to match federal requirements, requires the Dept. of Human Services to automatically enroll eligible persons based on information in state information systems, increases the TAP surcharge and requires the Public Utilities Commission to develop and implement state universal service fund by Dec. 31, 2000.

Floor action

S.F. 3092-Metzen: Requires the dispensing of ephedrine through prescription, restricts the sale, marketing and possession of ephedrine and provides criminal penalties.

S.F. 2669-Hottinger: Allows greater use of arrangements with businesses when providing day training and habilitation services and directs the commissioner of human services to develop a more flexible rate variance mechanism for day training habilitation services vendors.

S.F. 2355-Lourey: Modifies requirements for documentation of long-term facility payrolls.

S.F. 3118-Lessard: Modifies provisions for a timber permit extension.

S.F. 2892-Lourey: Modifies the terms of a tax-forfeited land sale in Carlton County, authorizes the private sale of land in Aitkin County, authorizes the conveyance of state land to the city of Faribault and authorizes the sale of tax-forfeited land that borders public water in Douglas County.

S.F. 2354-Kiscaden: Modifies provisions governing the public employees insurance program.

S.F. 2737-Junge: Clarifies provisions for recognition of orders for protection from other jurisdictions and provides that certain mutual orders are not entitled to full faith and credit.

S.F. 2373-Betzold: Modifies provisions governing release on pass for persons committed as mentally ill and dangerous and allows temporary jail confinement of persons subject to commitment as sexual psychopathic personalities or sexually dangerous persons.

H.F. 2590-Metzen: Corrects a reference relating to civil penalties relating to landlords and tenants and provides for interest rates on security deposits.

S.F. 3063-Piper: Authorizes the public sale of land in Mower County.

S.F. 2594-Foley: Clarifies laws relating to contributing to a child's delinquency, status as a juvenile petty offender, or need for protection or services and imposes civil and criminal penalties.

S.F. 2609-Johnson, D.E.: Provides for design-build contracts.

S.F. 481-Lourey: Establishes threshold limits for rehabilitative and therapeutic services covered under Medical Assistance.

S.F. 3068-Runbeck: Modifies reporting requirements relating to workers' compensation and eliminates certain reimbursement requirements.

S.F. 2729-Spear: Allows advertisements, public art, and informational signs to be placed on bicycle racks and bicycle storage facilities on highway right-of-way.

S.F. 2199-Johnson, D.H.: Requires professional bail bonding agents who perform bail bond enforcement services to be licensed as private detectives and clarifies an exemption to the private detective and protective agency licensing provisions.

S.F. 2663-Johnson, D.H.: Expands the stalking and harassment law to include acts involving injury to reputation and provides enhanced penalties for harassments of a peace officer in retaliation for the officer's performance of official duties in connection with a criminal investigation.

S.F. 1001-Kelley, S.P.: provides immunity for activities of the Board of Psychology.

Tuesday, February 24

Bills granted final passage on Special Orders

S.F. 3353-Morse: Appropriates money for environmental, natural resource, and agricultural purposes and provides for regulation of related activities and practices. 55-9

S.F. 3346-Samuelson: Appropriates money for health and human services, changes provisions for long-term care, health care programs and provisions, includes MA and GAMC, MinnesotaCare, welfare reform and regional treatment centers and imposes penalties. 64-0

Bills granted final passage on the Senate Calendar

S.F. 2368-Spear: Expressly approves an addition to the sentencing guidelines commentary. 60-0

S.F. 2365-Ranum: Provides that a person adjudicated as an extended jurisdiction juvenile who has a stay of execution revoked shall not receive credit for time served in a juvenile facility. 61-0

S.F. 2182-Ranum: Clarifies and updates the language of the harassment statutes. 60-0

S.F. 2351-Vickerman: Adds to and deletes from state parks, creates a new recreation area and provides for a state park permit exemption. 62-0

S.F. 1076-Sams: Requires health plan coverage for off-label use of drugs. 62-0

S.F. 2362-Ten Eyck: Modifies membership of the Forest Resources Council by adding a representative of the tribal entities. 59-0

S.F. 2087-Berglin: Authorizes a county attorney to file a juvenile petition, alleging a child to be both delinquent and in need of protection or services in cases where a child is involved in prostitution, increases criminal penalties for certain prostitution offenses and requires the collection of information on the investigation and prosecution of certain prostitution crimes and the use of penalty assessments imposed on prostitution offenders. 61-0

S.F. 1151-Piper: Changes provisions on appointment of guardians and conservators. 61-0

S.F. 2495-Kleis: Modifies requirement to allow inmates to participate in religious activities, provides for autopsies at correction institutions; exempts the campus at the state juvenile correctional facility at Red Wing from the 100 bed limitation for long-term residential secure programming and includes at-risk youth and girls in the Camp Ripley weekend camp. 62-0

S.F. 2574-Ten Eyck: Authorizes the Headwaters Regional Development Commission to establish a nonprofit housing corporation. 59-1

S.F. 2734-Kleis: Regulates collection agencies and exempts out-of-state agencies from regulation. 58-2

S.F. 2426-Berglin: Increases the maximum financial reserves permitted for health maintenance organizations. 62-0

S.F. 2699-Lourey: A resolution memorializing the Congress of the United State to remove Medicaid policy barriers to employment for people with disabilities. 60-1

S.F. 3092-Metzen: Requires the dispensing of ephedrine through prescription, restricts the sale, marketing and possession of ephedrine and provides criminal penalties. 62-0

S.F. 2669-Hottinger: Allows greater use of arrangements with businesses when providing day training and habilitation services and directs the commissioner of human services to develop a more flexible rate variance mechanism for day training habilitation services vendors. 62-0

S.F. 3118-Lessard: Modifies provisions for a timber permit extension. 62-0

S.F. 2892-Lourey: Modifies the terms of a tax-forfeited land sale in Carlton County, authorizes the private sale of land in Aitkin County, authorizes the conveyance of state land to the city of Faribault and authorizes the sale of tax-forfeited land that borders public water in Douglas County. 64-0

S.F. 2354-Kiscaden: Modifies provisions governing the public employees insurance program. 63-0

S.F. 2373-Betzold: Modifies provisions governing release on pass for persons committed as mentally ill and dangerous and allows temporary jail confinement of persons subject to commitment as sexual psychopathic personalities or sexually dangerous persons. 63-0

H.F. 2590-Metzen: Corrects a reference relating to civil penalties relating to landlords and tenants and provides for interest rates on security deposits. 62-0

S.F. 3063-Piper: Authorizes the public sale of land in Mower County. 63-0

S.F. 2609-Johnson, D.E.: Provides for design-build contracts. 59-1

S.F. 481-Lourey: Establishes threshold limits for rehabilitative and therapeutic services covered under Medical Assistance. 60-1

S.F. 2729-Spear: Allows advertisements, public art, and informational signs to be placed on bicycle racks and bicycle

storage facilities on highway right-of-way. 64-0

S.F. 2199-Johnson, D.H.: Requires professional bail bonding agents who perform bail bond enforcement services to be licensed as private detectives and clarifies an exemption to the private detective and protective agency licensing provisions. 48-16

S.F. 2663-Johnson, D.H.: Expands the stalking and harassment law to include acts involving injury to reputation and provides enhanced penalties for harassments of a peace officer in retaliation for the officer's performance of official duties in connection with a criminal investigation. 56-5

S.F. 1001-Kelley, S.P.: provides immunity for activities of the Board of Psychology. 61-1

Bills granted concurrence and repassage.

S.F. 2170-Lessard: Exempts dealers of boat and snowmobile trailers from the prohibition against the sale of motor vehicles on Sunday and exempts licensed sellers of trailers from certain contract or franchise requirements. 59-0

Wednesday, February 25

Bills granted final passage on Special Orders

S.F. 3367-Beckman: Appropriates money for housing, economic development, and related purposes, establishes pilot projects, provides for a municipal reimbursement, modifies loan criteria, requires studies, regulates housing and provides for the Minnesota family assets for independence initiative. 50-14

S.F. 3354-Price: Appropriates money for the general administrative expenses of state government, modifies provisions relating to state government operations, modifies budget preparation provisions and provides for the reimbursement of the health care access fund. 58-6

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Preview

Monday, March 2

Senate is in session at 11 a.m.

Tuesday, March 3

Senate is in session at 9 a.m.

Wednesday, March 4

Senate is in session at 12 noon.

Thursday, March 5

Senate is in session at 9 a.m.

Friday, March 6

Senate is in session at 9 a.m.

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In addition, this year Senate and House coverage is closed-captioned for hearing-impaired viewers of KTCI.

Capitol Report, the weekly legislative public affairs program produced by Senate Media Services, will air on the

PBS broadcast network throughout the state this year. The programs air: 9:30 p.m. Tuesdays on KTCI 17, Twin Cities.

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The Senate on the world wide web

Now there is a new way to get information about the Minnesota Legislature. In a joint effort, the Legislative Reference Library, the Office of the Revisor of Statutes, the Senate and the House of Representatives have established a World Wide Web home page.

At present, the site contains the texts of House and Senate bills, bill status information, biographical material about members, district maps, e-mail addresses for members with e-mail service, current daily and weekly schedules, the complete Minnesota Statutes, committee membership lists and more. To access the Legislature's World Wide Web page, simply point your browser to:

<http://www.leg.state.mn.us>

The Legislature's World Wide Web site is a dynamic entity and more information items are being added. The Web site makes an incredible amount of information instantly available to anyone who has computer on-line capabilities.

Information Services

The Senate Office is located in Room 231 of the Capitol. This office distributes all public printed materials and handle inquiries about Senate committee meetings, Senate districts, Senate telephone numbers, bill reference numbers and status, and bill sponsorship. Interested citizens may also request copies of bills or ask to be put on the mailing list for Senate publications. If you want to know the name of your Senator or have any other questions about the Minnesota Senate, call 296-0504 (voice) or 296-0250 (TTY). The Senate Information Office has recently initiated toll-free telephone numbers to enable citizens of Greater Minnesota to obtain general information about the Minnesota Senate. The new telephone numbers are: 1-888-234-1112 (voice) and 1-888-234-1216 (TTY). Staff members are available to answer questions about the Senate and the legislative process. For daily recorded updates on committee meetings, call the Senate Hotline at 296-8088.

Hearing interpreter services

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Photo by Donna Kelly.

March 6, 1998

Senate Highlights

Conference committees begin

The Senate changed gears this week and shifted attention to floor action and conference committees. With the passage of the third committee deadline, policy and budget divisions all but ceased operations. However, the first of the major conference committees were appointed and meetings will be scheduled to work out differences in the Senate and House versions of the bill.

The Subcommittee on Committees of the Rules and Administration Committee made appointments to the omnibus transportation supplementary budget bill conference committee, the omnibus higher education supplementary budget bill conference committee, the omnibus family and early childhood supplementary budget bill conference committee and the omnibus crime prevention and judiciary supplementary budget bill. Senate members for S.F. 2532, the family and early childhood education bill, are Sen. Pat Piper (DFL-Austin), Sen. John Marty (DFL-Roseville), Sen. Roy Terwilliger (R-Edina), Sen. Leo Foley (DFL-Anoka) and Sen. Arlene Lesewski (R-Marshall). Senate members for S.F.

3297, the higher education bill, are Sen. LeRoy Stumpf (DFL-Marshall), Sen. Sam Solon (DFL-Duluth), Sen. Cal Larson (R-Fergus Falls), Sen. Deanna Wiener (DFL-Eagan) and Sen. Dave Kleis (R-St. Cloud). Senate members for S.F. 3298, the transportation bill, are Sen. Janet Johnson (DFL-North Branch), Sen. Carol Flynn (DFL-Mpls.), Sen. Mark Ourada (R-Buffalo), Sen. Paula Hanson (DFL-Ham Lake) and Sen. Claire Robline (R-Prior Lake). Senate members for S.F. 3345, the crime prevention bill, are Sen. Randy Kelly (DFL-St. Paul), Sen. Allan Spear (DFL-Mpls.), Sen. Jane Ranum (DFL-Mpls.), Sen. Thomas Neuville (R-Northfield), and Sen. David Knutson (R-Burnsville).

Capital budget bill approved

The Senate devoted the entire Thurs., Mar. 5, floor session to debating the capital budget bill, S.F. 3388. The Senate's capital improvement appropriations bill provides \$954.2 million for various capital improvements, about \$52 million less in total spending than the amount recommended by the governor. However, the bill appropriates about

\$650 million more from the general fund than the governor's proposal. Sen. Keith Langseth (DFL-Glyndon) said the big difference between the Senate's capital budget bill and the governor's is that the Senate proposes to pay cash for long-term investments while the governor wants to pay for the projects with general obligation bonding. He said, "It is our rationale that in these times of affluence we should pay cash." Republicans were highly critical of the cash-spending idea. Sen. Dick Day (R-Owatonna) said the state has grown "bloated" with too much money and should "give a little back to the taxpayers."

The largest items in the capital budget bill are appropriations of \$87 million for the Minneapolis convention center, \$70 million for a molecular and cellular biology building at the University of Minnesota, \$40 million for light rail transit in the Hiawatha Avenue corridor from downtown Minneapolis to the airport and beyond, \$38.2 million for flood hazard mitigation grants, \$35 million for trunk highway bridges, and \$31 million for the replacement and rehabilitation of local bridges.

Higher Education Budget Division Chair LeRoy Stumpf (DFL-Thief River Falls) said the bill appropriates \$311.96 million for capital investments in the state's higher education system. While the governor recommended appropriating \$251 million to the University of Minnesota, the Senate bill appropriates \$172.37 million, said Stumpf. In addition to \$70 million to build molecular and cellular biology buildings on the Minneapolis campus, the bill provides \$22 million for the library on the Duluth campus and \$28 million toward projects at the Morris campus for the science and math building, recreational sports, and heating plant.

The bill provides \$139.59 million for the Minnesota State Colleges and Universities (MnSCU), slightly lower than the \$157 million recommended by the governor.

K-12 Education Budget Division Chair Lawrence Pogemiller (DFL-Mpls.) said the bill appropriates \$75.412 million for K-12 Education. The appropriations

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include \$1.885 million for renovations at the Lola and Rudy Perpich Center for Arts Education and \$9.323 million for renovations at the State Academies for the Deaf and the Blind in Faribault. The governor had requested \$12 million for residential academies, but the bill provides \$3.62 million. Pogemiller explained that while the K-12 Education Budget Division is in favor of the residential academy idea, the appropriation had to be scaled back this year due to budget targets. He said, "I think it's clear that if the additional funds become available the committee would feel quite comfortable giving more funds to residential academies." The bill provides \$14.33 million for the Community Schools Partnership to develop three Achievement Plus community schools in the city of St. Paul. Another \$33.454 million was appropriated for grants to establish five Metropolitan Area Magnet Schools. Family and Early Childhood Education Chair Pat Piper (DFL-Austin) said the bill includes \$4.8 million for competitive grants to early childhood learning sites.

Sen. Tracy Beckman (DFL-Bricelyn), chair of the Economic Development Budget Division said the division tried to create "good statewide balance and sound policy" in its appropriations in the area of jobs, energy, and community development. He said there are some particularly "big pieces," such as \$87 million for the Minneapolis Convention Center but that "we looked at projects on their merit." The bill appropriates \$116.88 million to political subdivisions for grants for convention centers and community centers.

Sen. Don Samuelson (DFL-Brainerd), chair of the Health and Family Security Budget Division, said most of the \$29.408 million provided for the Health and Human Services Department is for asset preservation within the human services system. Crime Prevention and Judiciary Budget Division Chair Randy Kelly said the bill provides \$20.66 million to the departments of Corrections and Public Safety.

State Government Finance Chair Richard Cohen (DFL-St. Paul) said the

governor receives almost all of what he requested in appropriations for state government, with the exception of the U.S.S. Des Moines. Environment and Agriculture Budget Division Chair Steven Morse (DFL-Dakota) said that at \$190 million, Environment and Agriculture is the second-largest piece of the capital budget bill. He said the bill provides \$38.2 million for flood hazard mitigation grants, well over the governor's request of \$24 million.

Transportation Budget Division Chair Janet Johnson (DFL-North Branch) said the bill provides \$118.13 million for transportation, which far exceeds the \$20.757 million requested by the governor.

Sen. Steven Morse (DFL-Dakota) offered an amendment to delete from the bill an appropriation of \$150,000 for planning for the acquisition and placement of the U.S.S. Des Moines in Duluth. He said it was "a simple amendment that unceremoniously sinks the U.S.S. Des Moines." The amendment transferred the deleted \$100,000 to the Seaway Port Authority of Duluth to construct a new warehouse, raising the appropriation to \$250,000. Sen. Martha Robertson (R-Minnetonka) asked to divide the amendment into two parts, one deleting the appropriation for the U.S.S. Des Moines and the other reappropriating the funds to the Duluth Seaway Port Authority. The amendments were both adopted.

Sen. Thomas Neville (R-Northfield) said the Senate's bill has two fundamental flaws - it spends too much money and it pays cash for capital projects instead of bonding for them. He offered an amendment replacing \$687 million of the cash spending in the bill with \$687 million of general obligation bonding for long-term capital investments. He said the \$687 million should be returned to state taxpayers on the grounds that it isn't fair that current taxpayers should have to pay for long-term capital investment projects. Sen. Dennis Frederickson (R-New Ulm) agreed that capital projects with a lifespan of 30 or 40 years should not be entirely the burden of current taxpayers. He said Neville's proposal would stay

within state guidelines for debt service by not exceeding the limit of 3 percent of general fund revenue. He said the state should take advantage of its triple-A bond rating to get a favorable interest rate for its capital projects.

Sen. Dean Johnson (R-Willmar) said taxpayers understand that the state has a budget surplus this year of almost \$2 billion and they want the Legislature to give some of it back to them in tax rebates. He said only the Senate DFL members are in favor of paying for the projects in cash while the governor, the Democrats and Republicans in the House of Representatives, and the Republicans in the Senate would prefer to pay for the projects the "traditional and customary way," with general obligation bonding, and provide tax rebates to Minnesotans this year.

Sen. Richard Cohen (DFL-St. Paul) said the bill is an attempt to stay away from borrowing so the state doesn't have to spend funds for debt service in the future, which results in significant savings over the longterm. Sen. Steve Kelley (DFL-Red Wing) said that by paying cash this year the state "will leave a legacy to our children that will make them better off."

Sen. Roger Moe (DFL-Erskine) said the state has considerable debt already. "State taxpayers now pay about \$600 million per biennium to service the state's debt. If we go the Republican's route the state will go over \$3 billion in debt," he said. Moe said Neville's proposal gives taxpayers a dollar, but takes back from them a dollar and a half over the longterm. He said the budget surplus is indeed "phenomenal" but suggested that one reason for the high surplus is that the state has deferred needs in areas such as housing, waste water treatment, and transportation. He said, "Why not step out of the box and do something different by paying cash instead of borrowing?" He said there is real, substantive tax relief in the Senate's omnibus tax bill that was approved last week.

In response, Sen. Dick Day (R-Owatonna) insisted the budget surplus was generated by overtaxing state

Senate Highlights

residents. He said, "Stepping out of the box' is finally sending back \$1 billion in tax relief." He said the capital budget bill is twice as big as it should be.

Sen. Douglas Johnson (DFL-Tower) said both Moe's and Day's positions "lack common sense," one by paying cash for everything and the other by borrowing for everything. He said, "the Republicans would lead us down the path of fiscal ruin in the future." He called for a balance of cash spending and borrowing to pay for capital projects.

Neuville's amendment failed on a 24-42 roll-call vote.

Sen. Douglas Johnson offered an amendment appropriating \$20,000 for a bust of Nellie Stone Johnston to be placed in the Capitol Building. He said Johnston is a woman of great stature in the history of Minnesota as the first African-American elected to citywide office in Minneapolis, a union organizer and civil rights activist. He said that of all the busts in the Capitol Building not one is of a woman. Current law prohibits the placement of busts of anyone in the Capitol Building until 25 years after the honoree's death. Johnson called for an exception to be made for Johnston, who is still living. Moe asked Senators to vote against the amendment. He said, "All of us know of individuals of stature who should be recognized through this honor. But if we don't have guidelines we'd have to add wings to this building to house all the monuments." Johnson said, considering that 17 men and no women have busts in the State Capitol, he thought members would be willing to make an exception in this case, but he withdrew the amendment.

Sen. Claire Robling (R-Prior Lake) said she noticed the bill includes an appropriation of \$400,000 for a grant to the city of Hastings for the construction of a municipal water park. She said a city in her district had recently given up plans to build a municipal swimming pool due to lack of funds. If Hastings could get state funds to build a municipal pool, other cities should as well, she said. Robling offered an amendment appropriating \$15.4 million for grants to cities to construct municipal swimming pools.

Economic Development Budget Division Chair Tracy Beckman responded to Robling's criticism of the appropriation to Hastings, saying, the project was seriously thought-out and met the criteria to merit state funding. Robling withdrew the amendment.

Sen. Randy Kelly said the bill lacks balance in its appropriations for convention centers. He said, while the bill appropriates \$96.1 million for convention and community centers throughout the state, including \$87.7 million for the Minneapolis Convention Centre, it provides no funding for the St. Paul River Centre. He said the River Centre is clearly a statewide facility, with over 100,000 Minnesotans attending the State Hockey Tournament that day alone. He said he challenged anyone in the Senate to tell him how it is fair or reasonable that St. Paul taxpayers are being asked to pay entirely for a convention center that will bring the state over \$2 million in income and tax revenue. Kelly withdrew his amendment but said he hoped the House appropriation for the St. Paul River Centre will be supported in the conference committee.

The bill was approved on a 45-22 roll-call vote and laid on the table.

Greater Minnesota TV coverage

Beginning Mon., Mar. 2, through Thurs., Apr. 9th, legislative programming will be delivered to Greater Minnesota cable outlets weekdays, 8 a.m. until 5 p.m. Below is a listing of cable outlets receiving Senate and House coverage. Broadcast times may vary among stations. Bresnan Communications: Channel 9 - Brainerd, Baxter, Crosby, Deerwood; Channel 50 - Duluth; Channel 22 - Marshall; Channel 20 - Montevideo; and Channel 12 - Mankato and North Mankato. Jones Intercable: Channel 21 - Owatonna; Channel 61 - Glencoe; and Channel 16 - Buffalo. Midwest Cable Commission: Channel 16 - Bemidji and Cass Lake. Range TV Cable Company: Channel 20 - Hibbing. Sjoberg's Cable TV: Channel 13 - Thief River Falls, Roseau, Greenbush, Badger, Baudette, Warroad, Karlstad, Red Lake Falls and Middle River.

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Committee update

Education Finance

Capital budgets continued

The Education Finance Committee heard capital budget presentations from the division chairs of the Family and Early Childhood Education Budget Division, the K-12 Education Budget Division, and the Higher Education Budget Division, Thurs., Feb. 26. The committee, chaired by Sen. Keith Langseth (DFL-Glyndon) merged all three division proposals, so that the single proposal could be combined with the proposals of the Human Resources Finance Committee and State Government Finance Committee and be sent to the floor.

Division Chair Pat Piper (DFL-Austin) gave a brief overview of the Family and Early Childhood Education Budget Division's capital proposal, which includes bonding appropriations of \$4.8 million to construct or rehabilitate facilities for Head Start or other early childhood programs.

The proposal also abolishes the requirement that 25 percent of grant amounts must be used in conjunction with state-operated youth employment and training programs, and requires any state appropriations to have a 50 percent match with nonstate funds.

"We're trying to make the best use of very limited money," said Piper. "We'll be able to put \$4.8 million into projects that will be an interaction between a variety of programs for little children," she said.

Division Chair Lawrence Pogemiller (DFL-Mpls.) presented the capital budget proposal for the K-12 Education Budget Division. The proposal appropriates \$50.6 million in bond funds and \$15.8 million in general funds for capital projects around the state.

Pogemiller said the division's proposal is \$3.8 million over the target of \$12 million for general fund appropriations, and presented the committee with the option of cutting funding for either of two projects. "As chair of the division, I'm in support of Sen. Langseth's choice," said Pogemiller, noting that the division was unable to make a choice between

cutting appropriations for the East Metro Integration Magnet School or the Residential Boarding Academies.

"A third item ought to be in that mix," said Sen. Martha Robertson (R-Minnetonka), mentioning the Wilder Community School Partnership grants as another possibility to bring the division on target.

Pogemiller replied that nothing prevents the Finance Committee from exercising that option.

Langseth agreed that the proposal was over budget. "This is hardly what you'd call a balanced bill," he said. He noted, however, that the proposal concentrates heavily on areas displaying significant need, such as the inner city.

Higher Education Division Chair LeRoy Stumpf (DFL-Thief River Falls) told the committee that two main issues regarding the division's proposal are the language for the Century Community College footbridge, and funding for the Metro State University's proposed library.

Committee members offered amendments on both of the issues. Sen. Roger Moe (DFL-Erskine) introduced an amendment allowing Century Community College to use state funding for an all-season footbridge. The amendment requires the Dept. of Transportation to assist with the design and construction of the footbridge.

When some of the committee members expressed concern over the cost of the project, Sen. Charles Wiger (DFL-North St. Paul) said that everyone should keep in mind that over 50 accidents in the last four years have occurred along the stretch of highway. "It's an accident waiting to happen," said Wiger. The amendment was adopted.

Wiger introduced an amendment that permits MnSCU to construct, furnish, and equip a library for Metro State University, through funding provided by Ramsey County bonding. The amendment states that the Legislature is to replace the Ramsey County financing as part of the FY 2000 capital budgets.

MnSCU Vice Chancellor Laura King said that they had found other examples, such as the Minneapolis Convention Center, where the state had used similar funding methods to complete construc-

tion. "This is a way to bridge to the FY 2000 bonding," said King.

Stumpf said that he had a number of concerns with speeding up the project. "I want the assurance that the library will serve as a quality facility," said Stumpf. He said that although the project is already on the list for FY 2000, and private funds have already been raised for the project, others might nevertheless come in with similar types of requests for future bonding. Stumpf also said that he wanted assurance that there would be a responsible party for the project.

Sen. Richard Cohen (DFL-St. Paul) said that the state is more than likely unable to constrain bonding for the future, and said that the particular bonding language in question could be deleted.

King replied that without the language, the county wouldn't have the assurance that the project would be funded, and MnSCU would have no legal authority to incur debt.

"The idea is innovative, to say the least," said Stumpf. He said he would want to make sure the language is thoroughly considered. "We could actually have Ramsey County make interest off the sale of bonds, and have the state pay the debt service," said Stumpf.

The amendment was removed from consideration.

The committee approved an amendment, offered by Moe, that allows the U of M and MnSCU to use leftover project funds appropriated from the general fund for any instructional or noninstructional purposes.

"This is going to encourage the U of M and MnSCU to be very, very tough when looking at construction costs," said Moe. If the schools are tough on costs, any leftover money cancels back to MnSCU and the Board of Regents, he said. "This is as much incentive as you can get," said Moe.

Stumpf replied that the best control over project funding is already found in higher education, where they pay one-third of the debt service on any projects.

Another adopted amendment, offered by Moe, changes the debt service calculations for any higher education

Committee update

building projects authorized in the FY 98-99 biennium, authorizing the state to pay for its share of construction out of general fund appropriations.

Environment and Natural Resources

Omnibus agriculture bill heard

After Sen. Dallas Sams (DFL-Staples) provided an overview of the omnibus agriculture bill to the Environment and Natural Resources Committee, Mon., Mar. 2, Committee Chair Bob Lessard (DFL-Int'l. Falls) asked those wishing to speak on the bill to keep their comments brief, and to the point. He said that only those portions of the bill relating to his committee should be addressed.

"We are not going to get into what comes under the purview of the agriculture committee," said Lessard. "We want to hear any comments that come under the environmental committee, otherwise we're going to be here all night."

Sams told the committee that the bill contains various provisions relating to feedlots, rural dispute resolution, and animal care and disposal. The feedlot sections add manure testing to the existing soil testing laboratory certification program, and make the processing of livestock or livestock products and poultry or poultry products eligible for the value-added agricultural product loan program. One requirement, that will be repealed once new feedlot permitting rules are updated, requires any plans for a manure storage structure, regardless of size, to be prepared or approved by a registered professional engineer or a USDA employee.

Other changes to feedlot regulations are numerous. Under the bill, definitions of "animal unit" different than current Pollution Control Agency (PCA) rules are created. The bill provides that individual feedlot facilities constructed on a separate site are considered to be a separate action for the purpose of determining whether an environmental review is required for the facility. Any petition requesting an environmental assessment worksheet on a proposed feedlot facility must contain at least 25

signatures of individuals who reside or own land within 10 miles of the proposed facility. The bill also directs the Dept. of Agriculture to conduct a study to assess the need for a program for manure applicator training and certification, and to report to the Legislature by Jan. 20, 1999. Feedlot sections of the bill also repeal certain manure storage design requirements after the PCA updates the feedlot permit rules.

Provisions of the bill relating to rural dispute resolution require the farm mediation administrator at the Humphrey Institute to establish procedures for resolving disputes in rural areas. The provisions also state that referrals may be accepted from any party concerning disputes involving rural quality of life. Other measures allow the administrator to set fees for the mediation participation, and extend the sunset date on the current Farmer-Lender Mediation Act to July 1, 1999.

Various measures relating to animal care and disposal are also changed under the bill. The bill provides that a veterinarian must accompany the peace officer serving a warrant, strikes prohibitions on transporting live animals with their feet or legs tied together, and allows veterinarians to dock the bony portion of a horse's tail. Other measures change the requirements for doghouse and equine shelters, repeal prohibitions against unsheltered clipped animals between the dates of Nov. 1 and May 1, and change requirements for animal disposal. Under the bill, the disposal depth requirement is changed from three feet to a depth adequate to prevent scavenging by other animals. A swine producer is also allowed to dispose of pig carcasses weighing less than 12 pounds through the facility's liquid waste stream, as long as the carcasses are reduced to a material less than one inch in diameter.

Members of Legislative Efforts for Animal Protection (LEAP), the Minnesota Humane Society, the Minnesota Center for Environmental Advocacy, the Minnesota Farmers Union, Clean Water Action, county representatives, and members of the general public spoke on the bill.

Speaking on the articles of the bill relating to animal care, Pam Finamore of LEAP and Erin Jordahl of the Minnesota Humane Society were told by Lessard that if the provisions stayed in, the bill would be heard by another committee, and their concerns could be aired at that time.

Marie Zellar, with Clean Water Action, said that she had problems with the environmental review section of the bill. "I would strongly urge this committee to reevaluate what is being proposed in this legislation," said Zellar. "This is a fundamental change to a very important body of law, for just one industry," she said, noting that the proposed environmental review changes also seem to limit citizen input.

Craig Johnson, of the Minnesota Center for Environmental Advocacy said that there were two provisions dealing with environmental review that he wanted to speak about. The first changes the review provisions so that neither phased actions nor connected actions apply to feedlots any longer. "This is a very significant change," said Johnson. "We would strongly support removing that section of the bill to leave environmental review as it is," he said.

The second section, he said, changes the petition process for public requests of an environmental worksheet. Under the bill's language, people have to be within 10 miles of a feedlot to sign the petition for a review, he said. "That would significantly change the purposes and intent of our environmental review policy," said Johnson. "I think everyone who deals with environmental review, from industry to the environmental side, all agree that our environmental review programs are in need of an overhaul," he said. "But to start picking away at the process on piece at a time would be a terrible mistake. It's a very carefully balanced thing that needs to be looked at as whole, not issue by issue," he said.

Julie Jansen, a resident of Olivia, said that she lives next to two feedlots, and that her daycare business has suffered as a result. She said that she is concerned with the doubling of animal unit calculations under the bill, because she fears the

present handling facilities might not be able to keep up. Jansen said she also strongly opposed the grinding of pig carcasses, because the resulting smells could be noticed as far as a mile away.

Loren Lein, a Faribault County commissioner, said he was not speaking before the committee as a county representative. He said that 45 percent of the people in his area who were sent a survey asking whether they had any concerns about living next to feedlots provided a very definite response and, as result, moratoriums on feedlots were instituted in three townships in the area.

Sen. Jim Vickerman (DFL-Tracy) successfully offered an amendment allowing the PCA to deny a permit for various reasons. Vickerman said that under the amendment, rejection of a permit in another state is possible cause for denial of a permit in Minnesota.

Sen. Janet Johnson (DFL-North Branch) successfully offered two amendments, requiring the PCA to submit a copy of the updated feedlot permit rules by Nov. 1, 1998, and requiring any state agency or local government unit conducting an inventory or survey of livestock feedlots under its jurisdiction to publicize notice of the inventory in a newspaper within the affected area. The notice must state the dates of the inventory, the information that will be requested in the inventory, and how the information collected will be provided to the public. The notice must also specify the date for a public meeting to provide information regarding the inventory.

Video camera fishing prohibited

Using recently introduced underwater video cameras to aid in taking fish is prohibited under a bill authored by Sen. Douglas Johnson (DFL-Tower).

S.F. 3389, prohibiting the use of underwater video cameras to take fish, was discussed and amended by the Environment and Natural Resources Committee Weds., Mar. 4.

"As you know, I'm not one for new rules and restrictions on Minnesotans, but this technology is not what fishing is about," said Johnson. "To actually have an underwater video camera while you

have fishing gear in the boat goes beyond true recreation and sport," he said. "I encourage members to stop the activity before it proceeds. I'd even be open to greater restrictions than are in the bill," he said.

Committee Chair Bob Lessard (DFL-Int'l. Falls) said that the issue wasn't just whether the use of the cameras to take fish affects the resource. "I think there's another issue here. The issue isn't just whether or not to protect the resource. But the real issue is where does sportsmanship stop and what's fair game," said Lessard.

"I'm not knocking this technology. I think there's a whole new outdoor experience that can be enjoyed, and I told the industry that I would be selling this as a whole new way to enjoy the outdoors," said Lessard.

Irwin Jacobs, of GenMar Industries, said that he was grateful the Legislature was trying to stop a problem before it occurs, rather than after the fact. "I hate when laws are created to stop business from doing something, but this is a very serious problem that you will not be able to unwind if it is not stopped in its tracks," he said.

He said his company sponsors a number of fishing tournaments, and they could regulate the use of the cameras for those tournaments. His concerns, he said, were regarding the resource itself.

Tony Capra, of Capra's Sporting Goods, said that there were a number of incorrect assumptions regarding the cameras. "I've spent hundreds and hundreds of hours using underwater cameras, and I repeat--they will not catch more fish for you," said Capra. He said that the cameras do not allow the selective harvest of trophy-sized fish, because the lens distorts the view significantly enough to make the size of any fish indeterminable. He said that it is also an inaccurate assumption that if you can see the fish, you can catch it. Biologists can prove that fish will only feed a small percentage of the time, whether you see them or not, he said.

Dean Capra, also of Capra's Sporting Goods, said that the cameras are already being used along the Pacific coastal

states, and none of those states have implemented restrictions.

Committee members spent a significant amount of time discussing how to amend the bill to protect the resource without taxing DNR enforcement officers. An amendment offered by Sen. Lawrence Pogemiller (DFL-Mpls.), to add underwater cameras to the list of other items prohibited from use for taking fish, was adopted. The amendment also removed the prohibition against having both the video equipment and fishing gear in the boat simultaneously.

Other amendments allow the exemption of educational or entertainment programs from the prohibition against using video equipment to take fish, and require the DNR to study the effect of the cameras on the resource.

The bill was recommended to pass and rereferred to the Committee on Rules and Administration.

Human Resources Finance

More bonding testimony

Chair Sen. Linda Berglin (DFL-Mpls.) presented the public administration, economic development, and health and family security capital budget recommendations at a meeting of the Human Resources Finance Committee, Thurs., Feb. 26.

Berglin said, "Deciding funding levels for the number of worthy projects was a difficult choice--as painful to me as it will be to you." She announced that all of the capital project appropriations in the measure are financed through the general fund and not through bonding. Berglin said the recommendations mostly centered on funding projects for asset preservation, repairs, and betterment. The \$189.9 million proposal combines the capital budget recommendations from the Health and Family Security, Crime Prevention, and the Economic Development Budget Divisions.

Among the proposals are \$17.3 million for human services system wide asset preservation, repairs and remodeling, which matches the governor's recommendation; \$12 million to the Veterans Home Board for the Minneapolis

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infrastructure and the Hastings Power Plant; \$16.8 million to the Dept. of Corrections; \$4.7 million for the Minnesota Historical Society; \$5.5 to the Labor Interperative Center; \$9.7 million to the Dept. of Trade and Economic Development; and \$116.8 million to local governments for a variety of convention, civic and community centers, including \$5.5 million for the Duluth Convention Center, \$3 million for the Rochester Mayo Civic Center, and \$5 million for the Phalen Corridor Redevelopment Grant.

The finance committee's recommendation to omit state funding altogether for the St. Paul River Centre generated heated debate. The governor's initial recommendation of \$65 million had been pared down to \$10 million in the budget division's recommendation. Sen. Randy Kelly (DFL-St. Paul) said he was disappointed that the finance chair could not find \$10 million worth of merit to the project and said, "This decision is an insult to the citizens of St. Paul." He compared funding levels for projects in Minneapolis to those in St. Paul and said they reflected the chair's bias toward her own constituents.

Berglin responded that the Minneapolis Convention Center had received past vetoes from the governor. She said the current financing plan succeeded because it proposed buying off the city's existing debt to allow for the issuance of more bonds, which will fund the expansion project, without harming the city's bond rating. She said, "Other development projects on the St. Paul list were more compelling in terms of need." Berglin said many projects were painfully eliminated from the list and said she did not believe a 50 cent user fee--St. Paul's back-up funding plan--would pose an undue hardship on hockey fans already paying \$40 per ticket.

Kelly said a 65 percent allocation of the local grants budget to Minneapolis was disproportionate and inappropriate. He said the decision-making appears on the surface to be motivated by politics, not policy, and that he hopes the Legislature will rise above election politics. He said, "If you think you will succeed in holding St. Paul down, you are

mistaken, and you will only injure your city as well as mine."

Berglin said she had no desire to hold St. Paul down and said party politics played no role in her decision. She said that her decision to lower funding for the River Centre was based on an individual area's capacity to support several major development projects. For example, she said, St. Paul received \$12 million in recommended appropriations for the Phalen Corridor and Stroh Brewery Redevelopment projects, and remodeling for the Labor Interperative Center. Berglin said she had also omitted funding for several large-scale projects in Minneapolis, such as the Humbolt Greenway project.

Sen. Tracy Beckman (DFL-Bricelyn), who chairs the Economic Development Budget Division, said he agreed with Berglin that politics played no role in his recommendations. He said he and Berglin considered the individual merit of each project and that "the final recommendations are as close to balanced as I have ever seen."

Sen. Don Samuelson (DFL-Brainerd) said he disagreed with Kelly that this was a Minneapolis versus St. Paul equation. He said many Senators have testified that the Minneapolis Convention Center has brought significant and meaningful economic benefits to constituents and businesses in the entire state. Kelly said the same could be said for the River Center.

Sen. Sheila Kiscaden (R-Rochester) said, "Ultimately the critical factor will be how close the recommendations come to the governor's funding levels." She added that Kelly still has the opportunity to designate the River Centre as St. Paul's highest funding priority.

Sen. Dan Stevens (R-Mora) said that he was disappointed to hear that appropriations were from the general fund and not from bonding. He also pointed to funding levels in Republican districts and said, "There is not much in this proposal I can support." Sen. Thomas Neuville (R-Northfield) said, "It is totally inappropriate to pay cash for capital projects."

Several Senators offered amendments to the proposal. Sen. Dave Kleis (R-St. Cloud) said he wanted to correct a geographic imbalance in the appropria-

tions and offered an amendment, which was adopted, to restore \$550,000 in funding for the St. Cloud Recreation Center by reducing funding for the Fergus Falls Convention Center.

Stevens and Sen. Roy Terwilliger (R-Edina) both offered amendments to restore funds to law enforcement training centers, also omitted from the funding proposals. Berglin said her targets were built from the governor's, which were structured around human services, asset preservation and job creation. She said, "There was little consideration given to new capital projects in the public safety and human services areas." Sen. Dave Johnson (DFL-Bloomington) offered an oral amendment--to be incorporated in the Stevens amendment--which reduces the Dept. of Corrections funding levels for asset preservation by \$2.6 million to the governor's level, and redistributes those funds to the Marshall Regional Emergency Response Training Center (\$882,000) and to the South Metro Public Safety Training Center (\$1.78 million). He said, "These levels provide a place marker for future funding rather than zeroing out public safety and law enforcement training projects."

Sen. Allan Spear (DFL-Mpls.) urged members not to give into the temptation to reduce funding for asset preservation projects. He said repairs for roofs and boilers, for example, represent a fundamental legislative responsibility, even though they are not the attractive projects Senators like to fund. The Stevens amendment, as amended, was adopted on a 7-6 roll call vote.

Sen. Steve Kelley (DFL-Hopkins) presented S.F. 2718, a bill that requests \$500,000 to automate the state telephone assistance program, match federal requirements, and expand benefits of the program to reach households who are not presently enrolled. The committee approved the bill and sent it to the floor.

Sen. Jane Ranum (DFL-Mpls.) gave testimony in support of state funding for the Ft. Snelling International Youth Hostel. Beckman offered an amendment, which was adopted, to reduce the finance committee's \$1.9 million appropriation to the Indian Affairs Council by

\$200,000, which Beckman proposed be appropriated to the Ft. Snelling Youth Hostel.

The committee adopted a motion to include the recommendations of the committee, along with those of the other finance committees, into a new bill to be introduced on the floor. Sen. Keith Langseth (DFL-Glyndon) introduced the new bill, S.F. 3388, on the floor, Fri., Feb. 27.

Benefits study okayed

Members of the Human Resources Finance Committee met briefly Weds., Mar. 4, to take action on a bill providing for assessments of proposed health coverage mandates. The bill, S.F. 2783, carried by Sen. Sheila Kiscaden (R-Rochester), had been on the Senate floor. However, Kiscaden said that the fiscal note that came with the measure was so high that she struck the bill from General Orders and had it sent back to committee.

Accordingly, Kiscaden offered an amendment to rework the measure. Under the amendment, which was adopted, the bill requires the Health Technology Advisory Committee to conduct assessments whenever the Legislature mandates a particular health benefit. Kiscaden said the goal in having an assessment process is to provide the Legislature with an objective cost-benefit analysis of proposed mandates and their overall impact on health coverage.

The bill specifies the process the committee must follow in making the assessments and outlines the procedures for reporting to the Legislature. Under the proposal, whenever a legislative measure containing a mandated health benefit proposal is introduced as a bill or offered as an amendment, the chairs of the standing committees having jurisdiction over the proposal must request that the Health Technology Committee Advisory Committee complete an assessment of the proposal in order to facilitate any committee action by either house of the Legislature. The bill defines mandated benefit proposal as any proposal that statutorily requires a health plan to provide coverage or increase the amount of coverage for the treatment of a

disease, condition or other health care need, or provides coverage or increase the amount of coverage of a particular type of health care treatment or service or of equipment, supplies, or drugs used for treatment or service.

The committee, chaired by Sen. Linda Berglin (DFL-Mpls.), approved the measure and advanced it to the Senate floor.

K-12 Education Budget Division

Capital budget bill approved

The K-12 Education Budget Division, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.), met Thurs., Feb. 26, and approved a capital budget bill appropriating \$74.412 million to K-12 education.

The bill provides \$55.204 million to the Department of Children, Families and Learning (CFL), including funding for metropolitan magnet schools, residential academies, Achievement Plus schools, and the State Academies for the Deaf and the Blind.

The bill appropriates \$33.454 million for metropolitan magnet school grants. The city of Minneapolis receives \$1.9 million to complete the Downtown Integration magnet school, and the city of St. Paul receives \$3.8 million to plan, design, and acquire the land for the East Metropolitan magnet school. A grant of \$14.554 million is appropriated to the city of Robbinsdale to construct the Metropolitan Integration magnet school and \$13.2 million to the city of Edina for the Southwest Integration magnet school.

CFL receives \$7.42 million for state-wide residential academies for youth between the ages of 12 and 18 years. The bill specifies that grants will be awarded through a competitive process to state agencies and political subdivisions for the design, land acquisition, construction, and other costs for residential academies. Enrollment in residential academies will be voluntary, with placement agreed to by the youth's parent or guardian, county of residence, school district, and the residential academy.

Appropriations to CFL also include a grant of \$4.58 million to the St. Paul Public Schools to improve or renovate

Achievement Plus facilities at the Monroe Community School and the Dayton's Bluff Elementary School, contingent upon a nonstate funding match of \$5.17 million. Achievement Plus is a project partnership of the Amherst H. Wilder Foundation, the Saint Paul Public Schools, the city of St. Paul, Ramsey County, CFL, and St. Paul neighborhoods. Each Achievement Plus facility provides an integrated set of academic, health, social, and other services to children, families and the community. A grant of an additional \$9.75 million is appropriated to the St. Paul Public Schools to design, construct, and acquire the land for a new Achievement-Plus facility, contingent upon a nonstate funding match of \$9.15 million. Together, the three facilities will serve approximately 1,730 students.

The bill provides \$9.323 million to the State Academies for the Deaf and the Blind in Faribault. There are appropriations of \$4.589 million for expansion and renovation of the Lysen Learning Building on the campus of the Academy for the Blind, and \$4.009 million for renovation of Tate Hall on the campus of Academy for the Deaf. For asset preservation improvements such as asbestos removal and replacement of roofs, windows, fire protection systems, and sidewalks, \$725,000 is appropriated to both campuses.

The bill provides \$1.885 million from the general fund for the Lola and Rudy Perpich Center for Arts Education. Of that amount, \$782,000 is appropriated for renovation of the administrative/classroom building. The project includes upgrades to building hallways, conversion of a temporary student computer lab to student commons area, reconfiguration of support and classroom spaces, and partial renovation of the cafeteria food service and seating areas. The bill appropriates \$467,000 for asset preservation on the center's campus, including design and construction of sprinkler systems, demolition of the main entry to the administration/classroom building, foundation repairs, reconstruction of campus roads and parking areas, and replacement of deteriorated sidewalks.

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There is an appropriation of \$486,000 to upgrade the Delta Dormitory through projects to electronically link the dormitory to the main computer information systems, construct student outdoor recreation spaces, replace carpet and furniture, and install window treatments throughout the dormitory. In addition, the bill appropriates \$150,000 to renovate the campus' Gaia Building.

The bill appropriates \$8 million to the commissioner of public service for loans to public school districts to make energy-saving capital improvements.

The bill was approved and sent to the Education Finance Committee.

State Government Finance

Capital bill okayed

The State Government Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Thurs., Feb. 26, in a morning to hear and debate an omnibus capital budget bill.

Cohen said the committee wanted to maintain the integrity of the budget divisions funding recommendations. He said he, staff and the three budget division chairs met recently and worked out a compromise for the full committee recommendations. Cohen said the finance committee recommendations total \$324 million which is less than the combined division recommendation of \$371 million.

Cohen said that the Dept. of Military Affairs is recommended to receive \$1.8 million in general fund appropriations to fund three programs. He said \$880,000 goes for kitchen renovations projects around the state including Thief River Falls, Bemidji, Detroit Lakes, Marshall, Litchfield, Anoka, Fergus Falls, and Pine City. Cohen said the committee recommends that \$900,000 be appropriated for asset preservation to address the deferred maintenance needs at armories and training buildings throughout the state and that \$100,000 is appropriated to conduct planning and predesign for a new Dept. of Military Affairs and Department of Public Safety joint training and community center. Cohen added that projects at the Stillwater Armory, Blaine

Armory, and the Twin Cities Army Ammunition plant received no funding under the committee recommendations.

Sen. LeRoy Stumpf (DFL-Thief River Falls) asked the committee for clarification on why the renovations and improvements to the governor's residence in St. Paul were not funded in the committee request. Tom Ulness, an assistant commissioner for the Dept. of Administration said a decision was made by the governor to withdraw a request for funding the project until FY 99 because the construction will be disruptive and is not one of the administrations priorities. "This is not a dangerous situation so the governor decided to wait until a new administration takes office," Ulness said.

Sen. Leonard Price (DFL-Woodbury), chair of the Governmental Operations Budget Division added the request for funding from the governor was withdrawn before the hearing of his division.

The Dept. of Transportation (MnDOT) is slated to receive \$118 million in appropriations under the committee's recommendations. The amount includes \$81.8 million from the general fund and \$36.3 million from the Trunk Highway Fund. Cohen said \$46 million is appropriated to the local bridge replacement and rehabilitation program, \$31 million goes for port development assistance in Minnesota, and \$150,000 for the Seaway Port Authority warehouse project. He added that the committee recommends \$1.3 million go to the state patrol Camp Ripley training facility and \$1.65 million goes to provide state funds for the Forest Highway 11 project.

Sen. Janet Johnson (DFL-North Branch), chair of the Transportation Budget Division, told committee members that proposals for local projects including the Duluth bus barn, and the Greater Minnesota transit vehicle replacement program were not recommended for funding because the committee simply did not have the resources.

Cohen said the Office of Environmental Assistance is recommended to receive \$3 million for a capital assistance program that provides grants to local governments to help finance the capital costs of constructing solid waste resource recov-

ery and processing facilities. He added that the Board of Water and Soil Resources is slated to get a total of \$19 million under the committee recommendations including \$15 million for the Reinvest in Minnesota (RIM) Reserve program to keep certain marginal lands out of crop production in order to restore wetlands and establish permanent vegetative cover. Cohen added that the committee recommends \$3 million for local government road replacement programs and \$1 million for the Minnesota Grant-in-Aid program to cover projects that are components of a general plan for flood control and floodplain management.

The Amateur Sports Commission, under the committee recommendations, is slated to receive \$5.5 million including \$1.2 million for land acquisition at the National Sports Center, \$3.6 million for the ice centers-Mighty Ducks grant program, and \$600,000 for the Minneapolis Urban Sports Center, a multipurpose field house that includes a running track and set-ups for volleyball, basketball, soccer and other indoor activities targeted to serve at-risk youth. Cohen said that committee members that funding was not included in the proposal for a youth golf course in Blaine.

Sen. James Metzen (DFL-South St. Paul) defended the golf course project. He said that the Governmental Operations Budget Division worked hard to produce a list of programs that deserve funding and in the last ten hours someone has made a new list that is different than the budget divisions thought reasonable. Cohen responded that the golf course project was zeroed out because the committee decided that limited resources for the Amateur Sports Commission were better utilized in the Mighty Ducks program because it has proven successful in the past. Cohen added that there was significant opposition to the golf course by committee members because of the lack of matching funds from local and private sources.

Cohen said the committee recommends general fund appropriations of \$119 million to the Dept. of Natural Resources. The appropriations include \$38 million for flood hazard mitigation grants, \$9.8

million for the Metro Regional Parks capital improvement program, \$8.8 million for the critical habitat match program, \$9.5 million for trail acquisition, development and betterment, and \$9.9 million for development of department office facilities. He added that an \$150,000 appropriation was recommended for the USS Des Moines State Park.

Cohen said the recommendation for appropriations to the Public Facilities Authority (PFA) total \$44.3 million, including \$15 million for various fund and loan programs that provide matching funds for nonpoint source pollution programs, water pollution control, and safe drinking water programs. He said the budget division also recommends that \$16.3 million be appropriated for waste water infrastructure programs.

Cohen added that the recommendations also include \$500,000 to the Dept. of Agriculture for a soybean processing infrastructure grant, and \$3.2 million to the Minnesota Zoo for construction and improvement of roadways, pathways, parking lots, and public plaza areas at the facility.

The Capitol Area Architectural Planning Board (CAAPB), Cohen said, receives \$39 million from the general fund and \$16.4 million from the Trunk Highway Fund including \$6.6 million for structural stabilization of the Capitol Building, \$724,000 for lighting improvements to the grounds on the north side of the Capitol, and \$120,000 to refurbish two statues on the Capitol's south side. Cohen added that the CAAPB is also appropriated \$150,000 to finish the Women's Suffrage Garden and \$442,000 for repair and restoration of Capitol Complex memorials.

Cohen said the committee also recommends that the state appropriate \$38.2 million from the general fund and \$16.4 million from the Trunk Highway Fund to projects for the Dept. of Administration. Cohen said the division is recommending that the state provide \$3.4 million to demolish the Capitol Square Building and relocate the Dept. of Children Families and Learning and the Higher Education Services Office to

temporary space. He added that the department will convert the existing site into temporary parking until a new state owned facility is constructed.

Cohen said that several other projects are recommended to receive funding including \$5.3 million to upgrade the primary electrical distribution system in the Capitol Complex and upgrade the mechanical infrastructure in the east Capitol area, \$15 million for the capital asset preservation account (CAPRA), \$15.7 million to complete the renovation of the Transportation Building to meet present day standards and existing safety requirements, \$1.6 million for the Ely Revenue Building, and \$750,000 to the Paramount project (Regional Arts Center), in St. Cloud. Cohen added that the Minnesota African American Performing Arts Center (Penumbra Theater), under the committee's recommendations, will receive \$4.75 million instead of \$4.1 million as recommended by the budget division.

The committee made a few changes to the recommendations presented by Cohen. One, an amendment authored by Sen. Steven Morse (DFL-Dakota), reinstated two line items, previously deleted in the committee recommendations, and reduced two line items that were given more money than the budget divisions recommended. Morse said the amendment reduces the appropriations for the Forest Highway 11 project by \$150,000 and the Penumbra Theater Project by another \$100,000. He said that under the amendment money went to reinstate \$150,000 to the Seaway Port Authority warehouse project and \$100,000 to the USS Des Moines State Park. Morse said that the two items receiving less funds, under his amendment, still come out of the committee at higher appropriation levels than when reported from the budget division. The Morse amendment was adopted and the bill was recommended to pass. The bill now goes to the Senate floor.

Committee on Taxes

K-12 omnibus education bill

The Committee on Taxes, chaired by

Sen. Douglas Johnson (DFL-Tower), met Thurs., Feb. 26, to consider the K-12 omnibus education bill, S.F. 3378.

Sen. Lawrence Pogemiller (DFL-Mpls.), chair of the K-12 Higher Education Budget Division, presented the bill. "There's very little new spending in this bill," said Pogemiller, noting that the bill spends \$153 million overall. Of the \$153 million, he said, \$90 million is used to eliminate the property tax shift, \$10 million to cover flood commitments, and \$53 million is new spending. Roughly \$23 million of the \$53 million is one-time funding, he said.

Pogemiller said that the bill's levy impacts statewide, in conjunction with the tax bill, are "fairly insignificant." He noted that the key impact on the financial tails of the bill is the Krentz equity provision adjustment to the Bauerly provision.

"Members may recall that several years ago an equity provision was put into law that did a \$100 offset on operating referendums, by providing new money for districts without referendums, and for districts with referendums that were property-poor," said Pogemiller. "We did not provide that same cash to high-value districts with referendums, and that led to this thing that people call the \$100 offset," he said. "They didn't lose any money," said Pogemiller, "they just didn't get new money under that provision." He said that a mistake was made for property-poor districts with a referendum, that still had the offset, but didn't get as large a net gain by the Bauerly provision as they should have. "This bill fixes that," said Pogemiller, noting that the provision was in the Senate education bill last year, but was removed in the conference committee. "We view this Krentz adjustment as a refinement of the original Bauerly equity provision. Districts with referendums who are property-poor will be provided additional revenue in the coming years, under the provision in the bill. If you are a property-poor district without a referendum, you will not be helped by this bill," said Pogemiller. This bill will not effect the third of the districts that do not have referendums, he said.

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He said that as a result of an overlap between the K-12 bill and the health and human services area, an amendment fixing some of the fiscal tails for special education was created with the help of other division chairs. The amendment “puts caps on any reimbursements from Medicaid that might take place, and clarifies which budget they would come out of, health and human services or the CFL,” said Pogemiller. The amendment was adopted.

Another amendment, also adopted, states that certain recipients of health-care services in schools have to have prior authorization to use private-duty nursing services.

Sen. Steve Kelley (DFL-Hopkins) expressed concern that some homeowners with low-valued homes in Hopkins may see a net tax increase as a result of some of the shift effects of the bill. “I’m trying to figure out why we’re doing that in the combined effect of the K-12 and tax bills,” said Kelley. He said that districts #270 and #283 together have about 14 percent of the tax increase. “I might be able to live with that if I knew that the low-income and the lower-middle income folks in my district would see an increase in their renter’s credit and circuit breaker,” said Kelley.

Pogemiller replied that the two districts are negatively impacted by the governor’s levy simplification proposal, but those increases are offset by increases in the reduction of the general education levy. “The net impact of those provisions is a reduction for Hopkins and St. Louis Park,” he said. “It is true that individual provisions of the bill impact different districts in different ways, but I think you should look at the net impact,” said Pogemiller.

Johnson asked Pogemiller about a provision in the bill allowing schools to open before Labor Day. Pogemiller replied that the provision was overwhelmingly approved in the division. He said the provision takes effect in two years.

“I would hope that Metro Area legislators would be sensitive to what the provision does to many tourism areas in Minnesota,” said Johnson. “It affects the employees at the resorts, it effects the

customer base. We have killed this so many times and it keeps coming back,” he said, noting that an amendment to the provision would be forthcoming at a later date.

The bill was recommended to pass and sent to the floor.

Friday, February 27

K-12 omnibus bill debated

During a four-hour session Fri., Feb. 27, the Senate debated and passed the K-12 omnibus education bill, S.F. 3378.

“This is a modest bill, that appropriates \$153.9 million,” said Sen. Lawrence Pogemiller (DFL-Mpls.), chief sponsor of the bill. Providing an overview of the comprehensive bill, Pogemiller said that \$90 million is used to buy back the education property tax shift, and \$10 million is appropriated to cover various flood commitments made last session. Of the remaining \$53 million appropriated, roughly \$30 million goes permanently to education for graduation staff development and an equity provision, he said.

One of provisions mentioned by Pogemiller relates to what he called the “Krentz provision,” that clarifies the recalculation of the referendum allowance reduction for combined districts, and proportionally increases the referendum revenue that districts below the referendum cap can raise.

“The \$21 million Krentz provision fixes the Bauerly provision on equity of a few years ago,” said Pogemiller. “This provision would fix portions of the \$100 offset that members are aware of, for low property-valued districts. This is probably the way the Bauerly provision on equity should have been enacted in the first instance, and we hope to convince the House that this is an appropriate enhancement,” he said.

Pogemiller said that some of the more controversial provisions had been removed or amended, such as the capturing of the Teacher Retirement Fund supplemental employer amount of \$53 million. “Some additional money has come forward in the budget surplus and we no longer have to capture that,” he said. That provision was removed,

said Pogemiller.

Pogemiller told the members that the three-day extension of the school year, a house provision accepted by the Senate in the conference committee last year, has been eliminated. “We made a mistake last year,” he said. “We are on the path of allowing school districts to determine how long the school year needs to be and how the school day should be structured,” said Pogemiller. “By putting the number of school days in statute, we are overly micromanaging what is necessary for school districts to do,” he said. Pogemiller said the three-day extension of the school year resulted in a three-day loss of staff development time in many school districts.

Much of the debate on the bill centered around the length of the school year. Sen. Douglas Johnson (DFL-Tower) offered an amendment removing the bill’s repealer of a mandated post-Labor Day start date of the school year. “This is an important amendment to regions of Minnesota that depend on the tourism industry,” said Johnson, “particularly in the Northern part of Minnesota,” said Johnson.

Sen. Sandra Pappas (DFL-St. Paul) said that she supported the amendment. “School districts are not doing a very good job with the time they have now,” said Pappas, noting that it seemed as if children already have an average of one day off a week. Another reason to support the bill, said Pappas, relates to the State Fair. She said that the pre-Labor Day start disrupts the State Fair. Buses have trouble navigating some neighborhoods as a result of traffic congestion, said Pappas, and a number of parents and children work in the Fair.

Sen. Cal Larson (R-Fergus Falls) called the amendment “family friendly,” noting that many of the children in his district are very involved in 4-H programs, which are in turn heavily involved in the State Fair.

“I represent Falcon Heights and Roseville, districts that choose not to start until after Labor Day,” said Sen. John Marty (DFL-Roseville), “and I think they would continue to because of the State Fair. But not all of the rest of the

state has that situation, and frankly I think it's appropriate that the school districts get their own choice. Let's leave them the option to do it their own way, and vote this down," said Marty.

Sen. Martha Robertson (R-Minnetonka) also spoke against the amendment. "It's a matter of local control. This is one of those mandates that we are constantly being told by school districts is a thorn in the side," said Robertson.

Sen. Steven Morse (DFL-Dakota) echoed Robertson's concerns. "I've always been against this provision, and I think it is outrageous that we are setting school education policy based on what the tourism industry wants in this particular case," said Morse.

A roll-call vote was called for the amendment, which was approved 35-31.

Sen. Steve Dille (R-Dassel) offered another amendment that received a substantial amount of debate. The amendment mandates that profiles of learning required for high school graduation must include instruction in personal and family financial management and investment. Dille said that the classes in those areas are often available as electives, but should be mandatory. He said the amendment is a welfare reform issue. "If we teach kids how to manage money, they are less likely to end up on the welfare rolls later on," said Dille.

Pogemiller said that he opposed the amendment. "It's pretty clear to all of us that these abilities are necessary to survive in a modern economy," said Pogemiller, "but I would hesitate to place this kind of language in statute, because it would lead to a slippery slope where the Legislature would start to find content curricula to up the graduation standards. I think that would be a mistake." He said that the K-12 Education Budget Division has agreed to send a letter to the State Board of Education requesting that they closely examine both the current graduation standards and the issue of personal financial management.

Sen. Jane Krentz (DFL-May Township) said that she also opposed the amendment, "not because it's not good information, but because I think those types of

decisions more appropriately lie with the school district. There's nothing that is preventing any school district in the state from doing this now."

Sen. Warren Limmer (R-Maple Grove) spoke in support of the amendment. "As we begin to see the abusive nature of easy credit, Sen. Dille's proposal makes more and more sense," said Limmer. "I think it's a good idea and I think it's something we need to focus on," he said. "People are just being swallowed up by high interest rates, more and more into their early years," he said.

"If there's anything more basic to our lives than Economics 101, I don't know what that is," said Sen. Cal Larson (R-Fergus Falls), a coauthor of the amendment. "If you talk to pastors or marriage counselors, one of the real problems people face is with money management and whether people understand basic economics. I appreciate Sen. Pogemiller's comment that he is going to pursue this, but this is as basic as science and math. I hope that we get serious about this," said Larson.

"If the Legislature wanted to, we could write a whole number of these, and we could all have sort of a flavor of the month of what's missing from the graduation standards," said Sen. Steve Kelley (DFL-Hopkins), speaking in opposition to the amendment. He said there were any number of other important areas that could be implemented after the finance classes, such as technology education. "If we do that, we'll make a mess of the whole enterprise," he said. "I think we ought to think twice before we do this," said Kelley.

On a roll-call vote, the amendment was defeated 18-30.

Among the other amendments discussed during the session, one of the few that was adopted was authored by Sen. Thomas Neville (R-Northfield). The amendment directs the Dept. of Children, Families and Learning to submit a report to the education committees of the Legislature itemizing all direct and indirect state and local revenues actually expended in developing and fully implementing the profile of learning rule, by Jan. 15, 1999.

Other adopted amendments, authored by Sen. Pat Piper (DFL-Austin) and Sen. Randy Kelly (DFL-St. Paul) both make minor changes to the bill. Piper's amendment changes references to first-grade preparedness in the bill to supplemental early education, and Kelly's amendment adds to child protection and truancy statutes.

The Senate gave S.F. 3378 its third reading, and granted final passage on a 63-1 roll-call vote.

Monday, March 2

General Orders heard

The Mon., Mar. 2, floor session was devoted to discussion of bills on the General Orders. The Senate, acting as the Committee of the Whole, granted preliminary passage to 18 bills in the morning session with little debate.

H.F. 3040, authored by Sen. Becky Lourey (DFL-Kerrick), changes the reporting requirements for nursing homes to allow the use of automated data. Lourey moved to strike an amendment to the bill making printed material optional rather than mandatory. Sen. Don Betzold (DFL-Fridley) said the committee that originally adopted the amendment had heard testimony that the Dept. of Human Resources wanted to have the option of receiving data from nursing homes by computer disk, for example, rather than the current requirement of printed material. Betzold said going back to the original language in the bill adds costs by requiring, without option, that nursing homes also submit printed materials. He said, "I suggest you go back to the department before the conference committee to see if they can make up their minds."

S.F. 2316, carried by Sen. Steve Murphy (DFL-Red Wing), continues the uniform program for registration of intrastate carriers of hazardous materials, and repeals statutes and rules that are also removed on the federal level. Sen. Dennis Frederickson (R-New Ulm) asked Murphy why he thought it was appropriate to repeal rules by statute, particularly when Legislators do not have access to the rules or testimony about them.

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Murphy said the rules are no longer needed at either the state or federal levels. He added that the Transportation Committee heard the bill and the Dept. of Transportation or relevant industries expressed no objection to the repeal. He said, "The more rules and laws off the books the better."

H.F. 3250, Sen. Sandra Pappas (DFL-St. Paul), memorializes Congress and the President to enact the Aircraft Repair Station Safety Act of 1997, which sets more stringent safety and maintenance requirements for foreign repair stations. Sen. Richard Cohen (DFL-St. Paul) said he questions the effectiveness of bills memorializing Congress. He said the resolutions were generally filed unseen in a cabinet in room at the Capitol Building. Sen. Martha Robertson (R-Minnetonka) asked if the bill disrupts compliance with existing international trade agreements. Pappas said the bill was just one strategy to get attention of selected members of the federal legislative and executive branches and had no trade implications. She said, "The resolution will be disseminated quite broadly to let everyone know we value aircraft safety here in Minnesota."

Sen. Mark Ourada (R-Buffalo) said he was concerned that Legislators not set a precedent by asking Congress to enact certain bills. Pappas said Legislators need to ensure minimum safety standards for constituents and work to prevent shoddy workmanship on aircrafts and the use of inferior parts overseas. Sen. Dave Kleis (R-St. Cloud) offered an amendment, which was adopted, to delete language that refers to the specific Act before Congress but retained language reiterating a commitment to more stringent maintenance requirements.

S.F. 2445, authored by Sen. Steven Novak (DFL-New Brighton), regulates the excavation notice system. Novak offered an amendment to establish a new information-sharing duty to excavators dealing with abandoned property, and to release them from liability from legal action resulting from the information provided. Betzold said Legislators should be careful when giving immunity from liability and to ascertain the good faith

responsibility of the parties. Novak said the amendment tries to ensure that excavators have as much information as possible about the safety issues regarding an underground abandoned facility. Novak accepted a Betzold oral amendment to add, "in good faith," to the provision in the bill. The amendment was adopted.

S.F. 2097, authored by Sen. Randy Kelly (DFL-St. Paul), adds witness tampering to the list of crimes for a mandatory minimum sentence under current statutes dealing with crimes committed for the benefit of gang. S.F. 2587, also carried by Kelly, expanding enhancement penalties to include crimes that are motivated by involvement with a gang, was also approved.

H.F. 3332, carried by Sen. Jane Ranum (DFL-Mpls.), modifies open adoption agreements, and relates to adoption contact agreements in cases of adoption with birth parent or birth relatives. Sen. Linda Berglin (DFL-Mpls.) offered an amendment to include language from another bill, S.F. 2949, that makes technical changes to a putative fathers' adoption registry.

S.F. 2684, also carried by Ranum, relates to criminal penalties for whoever violates an order for protection, and establishes a misdemeanor charge for adults and juvenile respondents. Ranum offered an amendment, which was adopted, to extend a pilot project in the 4th Judicial District for two years.

S.F. 2382, authored by Sen. Sheila Kiscaden (R-Rochester), changes a deadline to give the commissioner of human rights more time to file complex cases.

S.F. 3011, authored by Sen. Bob Lessard (DFL-Int'l. Falls), prohibiting the killing of white bears, was approved with little discussion.

S.F. 2334, authored by Sen. Janet Johnson (DFL-North branch), requires certain snowmobiles to have a state trail sticker and allows sub-agents, such as sporting good stores, to issue the stickers. Sen. Charles Berg (IND-Chokio) asked how the bill would affect out-of-state snowmobiles with studs, which may be banned this session. Johnson said the bill

does not deal with the snowmobile stud ban.

H.F. 2612, also carried by Johnson, designates a highway in Cambridge and North Branch the Timothy J. Bowe memorial highway. Johnson said community groups and the county sheriff's association requested the bill. She said the cities involved will bear the costs for replacing signs.

H.F. 2895, authored by Sen. Sam Solon (DFL-Duluth), allows township mutual companies to invest out of state. Solon offered an amendment, which was adopted, to allow up to a \$10,000 investment in stock of the National Association of Mutual Insurance Companies bank.

S.F. 2581, sponsored by Kiscaden, allows Olmsted County to appoint, rather than elect, the county auditor/treasurer when the incumbent retires, and provides for a reverse referendum if voters do not support the new appointee. Sen. Kenric Scheevel (R-Preston) urged Legislatures to pass a bill to ease restrictions on other county boards that may also want to appoint county auditors.

S.F. 2256, authored by Sen. John Marty (DFL-Roseville), pertaining to elections and eliminating unconstitutional provisions, was amended and approved for preliminary passage.

S.F. 3016, authored by Sen. Douglas Johnson (DFL-Tower), authorizing acceptance of dump materials at certain qualified landfills, was amended by the author to include an effective date.

S.F. 2420, authored by Sen. Randy Kelly (DFL-St. Paul), directing the commissioner of public safety to study the use of blue lights on emergency vehicles and road maintenance vehicles and report back to the Legislature with results, was approved for preliminary passage with little discussion.

S.F. 3032, carried by Sen. Deanna Wiener (DFL-Eagan), regulates investments of certain insurance issuers. The author offered an amendment, which was adopted, to tighten and clarify language in the bill. Wiener said the bill benefits five large insurance companies in Minnesota and makes them more competitive.

Police liability clarified

Considerable discussion centered around S.F. 2317, sponsored by Sen. Linda Higgins (DFL-Mpls.), a bill that clarifies responsibility for compensating innocent third parties whose property is damaged by law enforcement officers in the course of apprehending suspects. Higgins said that many apprehensions involve multiple jurisdictions where police from one city initiate a search warrant, but officers from another city actually make the arrest. In some cases, Higgins said, property damage occurs in the course of the apprehension. Higgins gave examples of situations when the law applies, such as when an apartment door gets kicked in, or walls and paint are damaged by the chemicals in tear gas. Higgins said that in those cases, the innocent landlord is entitled to damages from the city that initiated the warrant.

Sen. Dave Johnson (DFL-Bloomington) raised the issue of liability when the arresting officer commits misconduct or is negligent. He said that the city that initiated the search warrant should not be liable for another jurisdiction's officer's behavior. Johnson said the bill absolves the negligent officer of responsibility for damages. Instead, Johnson said, the city employing the officer should pay the damages. The bill was temporarily set aside to draft an amendment to address Johnson's concern. Later, Higgins successfully offered an amendment specifying that in the event of misconduct or negligence by a law enforcement officer, that officer's employer must pay the damages. The bill was recommended to pass with the amendment.

The Senate also considered two bills, S.F. 2586 and S.F. 2498, both carried by Sen. Randy Kelly (DFL-St. Paul), that change provisions of the law regarding sex offenders. The first bill expands the definition of sex offender to include anyone required to register as a sex offender, requires treatment facilities to report program results to the Dept. of Corrections, sets conditions for assessing a sex offender's risk of reoffending, and specifies community notification time limits when an offender is released. The other bill expands the list of crimes for which a sex offender must register and

sets a time limit on registration for sex offenders who move to Minnesota. Kelly said the bill conforms state law to the federal "Megan's law" so that the state will qualify for federal appropriations. Both bills were approved.

A bill making changes to various data practices provisions also received Senate approval. Sen. Don Betzold (DFL-Fridley), author of S.F. 1378, said the measure cleans up the Data Practices Act. He said that the bill includes the provisions of a bill sponsored by Sen. Sheila Kiscaden (R-Rochester) allowing the the Departments of Human Services (DHS) and Economic Security (DES) to share private data on individuals to check eligibility for various programs and compliance with child support orders. Betzold said that other provisions of the bill include specifying that preliminary local government audit reports and related materials are protected or nonpublic data until the final report is released, narrowing the definition of personal data, and providing that tax return information may only be examined by Dept. of Revenue personnel for the purpose of conducting a legal investigation. Betzold offered an amendment allowing the DES to release the names of employers who have jobs available. He said that some private firms are compiling the same information and selling it, but the amendment shouldn't hurt those firms. Betzold added that the DES supports the amendment. The amendment was adopted.

Several local government bills received Senate action during the floor session. S.F. 1654, carried by Sen. David Ten Eyck (DFL-East Gull Lake), changes fees for filing and recording various documents with county officials. Ten Eyck said the bill "creates uniformity between counties on filing fees." S.F. 3090, also carried by Ten Eyck, establishes a procedure for dissolution of township subordinate service districts. H.F. 2809, sponsored by Sen. Deanna Wiener (DFL-Eagan), requires that audited financial statements of municipalities must be provided to the governing board at the same time the report is submitted to the state auditor. S.F. 2346, sponsored by Sen. Carol Flynn (DFL-Mpls.), authorizes

the Minneapolis City Council to determine the appointment procedures for the executive director of the civilian police review authority, establishes the midtown planning and coordination board, and repeals an age ceiling for new Minneapolis firefighters. H.F. 2736, authored by Sen. Becky Lourey (DFL-Kerrick), allows county boards to make gifts to not for profit organizations if the board determines that the gift is for a good public purpose. Lourey said that a community foodshelf is an example of an eligible organization. S.F. 2725, carried by Betzold, allows county officials to use new electronic methods to print their seal on official documents. All local government bills received endorsement from the Committee of the Whole.

Sen. Sam Solon (DFL-Duluth) sponsored S.F. 2274, the omnibus liquor bill. Solon said the measure contains provisions regarding the sale of a liquor license from one retailer to another, allows the sale of alcoholic beverages at Giant's Ridge and Ironworld, authorizes local governments to issue temporary liquor licenses for various events, allows brewers to give out samples at liquor retailers, and authorizes additional liquor licenses in Eagan, Albert Lea, Virginia, East Grand Forks, Canosia Township, and Lake County. In addition, Solon said, the bill authorizes a study of liquor shipped directly to consumers from outside Minnesota. The bill was approved.

A bill described by its author, Sen. Leo Foley (DFL-Anoka), as using both the "carrot and stick approach" to deal with people who fail to obey orders to appear in Court was also approved. Foley said that the bill, S.F. 2595, creates a felony contempt crime and increases the penalty for failure to appear in Court in matters involving a crime of violence, but he said that the charges are dismissed if the person makes an appearance within 48 hours. Foley added that the bill is an effort to combat problems with gang members and others who don't appear for judicial proceedings when required.

Kiscaden said that she was concerned that the bill escalates some crimes to felony levels with the penalties for failing to appear and wanted to know what crimes were covered under the bill. Sen.

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Allan Spear (DFL-Mpls.) said that the bill references the crimes in the criminal code that fall under the scope of Foley's bill. The bill was granted preliminary passage.

A number of health related measures were also considered on General Orders, including S.F. 2108, sponsored by Sen. Linda Berglin (DFL-Mpls.). Berglin said the bill primarily makes technical changes to existing lead abatement provisions in order to comply with federal regulations. Berglin said the bill also establishes a program by which landlords may certify their property as being "lead safe." Berglin also sponsored S.F. 695. She said that when a not for profit hospital is sold or transferred to a for profit hospital, notice of the sale or transfer must be given to the Attorney General's Office. Berglin added that the notice of the sale or transfer is protected information, but the notice may be made public if the Attorney General's Office determines that it is in the best public interest to do so. Lourey presented her bill, S.F. 2372, requiring children to be immunized against hepatitis B (HBV). Lourey said that under the bill, a child will not be allowed to enroll in child care or school unless the child has received the HBV vaccine. Sen. Warren Limmer (R-Maple Grove) asked if the bill allows an exemption for those who object to immunizations for religious reasons. Lourey said that the religious exemption for other immunizations also applies to HBV shots. Sen. John Hottinger (DFL-Mankato) sponsored S.F. 2861, a bill granting immunity to a person who renders emergency medical care with an automatic external defibrillator. Hottinger said the bill does not cover the use of defibrillators that require human judgement. All four bills were recommended to pass.

Several bills receiving Senate action concern the area of commerce. Sen. Deanna Wiener (DFL-Eagan) authored H.F. 2601, a bill that she said is a clean up of last year's contractor law. Wiener said that the bill changes the term "prime contractor" to "party responsible for payment." Hottinger sponsored S.F. 2207, a bill prohibiting insurance companies from requiring a health care

provider's federal Drug Enforcement Administration registration number on an insurance claim. Hottinger said that use of the numbers on insurance claims weakens the system and the bill authorizes the creation of a new unique identifier number system that can be used for insurance purposes. Sen. Sheila Kiscaden (R-Rochester) carried S.F. 668. Kiscaden said the bill requires that anyone using a title associated with the industrial hygiene or safety occupations must have received accredited training in those fields. A bill, S.F. 2489, sponsored by Solon, requires mortgage companies to have secured funds available at the time of a home sale closing. Solon said that some mortgage companies have gone broke and money isn't available to pay the seller. He added that the problem hasn't happened in Minnesota, but the bill is a safeguard against it. Sen. Ember Junge authored a bill, S.F. 2378, making technical changes to Minnesota's laws on professional corporations and firms. Junge successfully offered an amendment adding physician's assistants to the occupations covered under the law. All five commerce bills received preliminary approval.

Other bills considered by the Senate include S.F. 2945, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), ratifying a multistate compact that allows states to share resources in the event of a natural disaster; and H.F. 2642, sponsored by Higgins, specifying that when re-employment insurance benefits are overpaid, the recipient must repay the amount of overpayment, but the debt may not be turned over to the Minnesota Collection Enterprise, the state's official collection agency. Sen. Linda Scheid (DFL-Brooklyn Park) carried S.F. 1814. Scheid said the bill sets term limits on, and qualifications for, membership on the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design. Each of the three bills was recommended to pass.

Another bill carried by Stumpf is a technical bill concerning the Board of Water and Soil Resources. Stumpf said the bill, S.F. 2269, raises the limit on the value of work a watershed board may contract for without competitive bidding

from \$20,000 to \$25,000, shortens the public comment time to a minimum of 15 days on proposed wetland replacement plans for wetlands over 10,000 square feet, and adds the commissioner of agriculture to the list of people who must receive copies of local government wetland management plans. The bill was recommended to pass.

Sen. Steve Kelley (DFL-Hopkins) carried S.F. 2068. Kelley said that the bill is a follow up of a bill passed last year authorizing the use of electronic signatures on official documents. He said that last year's bill created a task force to make recommendations, and those recommendations are contained in the bill. Kelley's bill was recommended to pass.

Sen. Jim Vickerman (DFL-Tracy) sponsored a bill that he said reduces the fees for filing agricultural liens. Sen. Steven Morse (DFL-Dakota) said that he was concerned about the bill because it could make it easier to file an "umbrella lien" on all of a farmer's crops. Despite Morse's concerns, the bill received preliminary passage.

One other bill receiving Senate attention, H.F. 2846, was described by its sponsor, Douglas Johnson, as intended to reduce auto insurance premiums for 1.7 million Minnesota drivers. He said that the bill authorizes a 10 percent premium reduction for drivers over 30 years of age who complete a driver training refresher course. The bill was approved by the Senate.

Wednesday, March 4

Nursing mothers bill okayed

The first portion of the floor session Weds., Mar. 4, was devoted to considering several bills on General Orders including one that requires employers to provide a time and place for nursing mothers to express breast milk.

S.F. 2751, authored by Sen. Ellen Anderson (DFL-St. Paul), requires employers to take reasonable steps to provide unpaid break time each day to an employee who needs to express breast milk for her infant. Anderson said the employer must make reasonable efforts to provide a room or other location where

the employee can express milk in privacy. Anderson said the purpose of the bill is to support women in the workplace because studies have shown that there are many positive benefits for babies who receive breast milk from their mothers.

Anderson authored an amendment she said was a compromise with business interests to make clear that an employer does not have to build or create a space for mothers but if one exists they should make it available. The amendment was adopted.

Sen. Jane Krentz (DFL-May Township) proposed an amendment changing the indecent exposure law in Minnesota to exclude breast feeding in public. Krentz said the purpose of the amendment is to ensure that women are not prosecuted for breast feeding. "Are we going to be prosecuting men for starrng when a women is breast feeding," he said. Anderson said she supported the Krentz amendment because there is nothing immoral or wrong about breast feeding and as a matter of public policy Minnesota should support healthy babies. The amendment was adopted and the bill was recommended to pass.

S.F. 2730, carried by Sen. Martha Robertson (R-Minnetonka), is a house-keeping bill for the Dept. of Administration. Robertson said the bill makes technical corrections relating to data practices, information systems, and technology. She added that the bill changes the name of the Minnesota Telecommunications Network, extends the expiration date of the governor's residence council, and clarifies certain referenda authority with respect to the state building code. The bill was recommended to pass.

H.F. 2616, authored by Sen. James Metzen (DFL-South St. Paul), deals with the state's dangerous dog registration laws to provide that cities may be responsible for registration of dangerous dogs within their limits. He said counties are responsible for enforcing dangerous dog laws and registering dogs in townships. The bill was recommended to pass.

S.F. 1258, carried by Sen. Linda Scheid (DFL-Brooklyn Park), relates to insurance and requires residual liability insurance

on non-owned vehicles. Scheid said the bill requires an insurance company to extend liability coverage to rental vehicles. She said that under current law insurance companies must provide coverage for property damage. Scheid added that it makes sense to have the insurer that knows a driver best be responsible for providing liability coverage.

Sen. Deanna Wiener (DFL-Eagan) asked if people's insurance rates will rise because of the mandate for extended coverage. Scheid said she did not think insurance rates would increase. Robertson said the bill will lower costs for car rental companies and asked if consumers will see a reduction in rates because she feels the public may be left out. Scheid defended the bill as consumer friendly and added that if an individual does not have insurance of their own the rental agency is still be responsible for providing it. The bill was recommended to pass.

H.F. 3070, carried by Sen. Mark Ourada (R-Buffalo), provides for a variance for decorative gas lamps. Ourada said the bill allows residents who have obtained a variance to escape the time and expense of the reapplication process by making the variance valid for the life of the recipient. Ourada added that the bill does not allow any additional variances to be issued. The bill was recommended to pass.

H.F. 3071, also carried by Ourada, is a periodic update to keep Minnesota's statutes in conformity with current federal petroleum product specifications developed by the American Society of Testing Materials (ASTM). "We are adopting the federal definitions for ethanol and methanol," he said. The bill was recommended to pass.

S.F. 2926, authored by Sen. Ember Junge (DFL-New Hope), expands a peace officer's authority to make traffic-related arrests with respect to pedestrian cross-walk laws. Junge said the bill provides that an owner or lessee of a motor vehicle is guilty of a petty misdemeanor if the vehicle is used to commit a specific traffic related offense. Junge the current law is unenforceable because pedestrians threatened by a vehicle must give a description of the driver to police before

action can be taken. "People are trying to get out of the way and don't have time to look at the driver," she said.

Junge said the bill, suggested to her by the Mound police chief, allows law enforcement four hours, after the offence is reported, to contact the owner of the vehicle involved and to determine if the owner or someone else was driving at the time. She said that if the vehicle owner provides information that someone else was driving, that person is responsible for the violation. Junge added that if the owner is found to have been driving at the time of the infraction they are responsible.

Sen. Edward Oliver (R-Deephaven) said if the state is going to pass such a law there must be adequate information given to Minnesota drivers on what exactly is required. Junge said there is money for education regarding pedestrian cross walk laws in the crime prevention bill.

Neuville proposed an amendment to delete the section of the bill relating to police having four hours to issue a citation and drivers being held responsible if they can't prove they were not driving the vehicle at the time. Junge said the bill does not work without the four hour provision and a police officer does not have to issue a ticket unless they can determine that probable cause exists. The amendment was not adopted.

Sen. Cal Larson (R-Fergus Falls) offered an amendment providing that a vehicle must remain stopped at a pedestrian cross walk until people have completely crossed the street. He added that the amendment does not apply to divided highways. On divided highways a driver must remain stopped until the pedestrian reaches the road's median. The amendment was adopted and the bill was recommended to pass.

S.F. 2416, authored by Oliver, contains a number of changes to the state's debt collections act. Oliver said the bill adds a exception to income that must be credited to the general fund, amends the definition of "debt" to clarify the reference to amounts owed to individuals for which the state acts in a fiduciary capacity, and modifies provisions dealing with "collection penalties" by changing the reference to "collection costs." He

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added that the bill also authorizes the commissioner of revenue or the attorney general to bring a conciliation court action where the cause of action arose or where the debtor resides, and clarifies the notice and meeting requirements before an agency may use the setoff process to collect a debt.

Sen. Don Betzold (DFL-Fridley) offered an amendment requiring an agency to provide individuals with a 30 day notice before getting a default judgement. The amendment was adopted and the bill was recommended to pass.

S.F. 2447, authored by Sen. Dallas Sams (DFL-Staples), is a Dept. of Health house keeping bill relating to health professions. Sams said the bill modifies provisions in state law with regard to speech-language pathologists, unlicensed mental health practitioners, alcohol and drug counselors, physical therapists, and hearing instrument dispensers. Sams proposed an amendment to remove sections of the bill that deal with the Data Practices Act. The amendment was adopted and the bill was recommended to pass.

S.F. 2879, carried by Betzold, relates to the process by which individuals are able to expunge or seals court files relating to criminal offenses. Betzold said currently people are going from judge to judge to erase their criminal record and the judge only has the information on the specific offence that is the subject of the petition. He said the bill adds another element to the process that requires a judge, in such a case, to be provided with all prior and pending criminal charges against an individual when making a decision to seal or expunge a specific offense.

Betzold offered an amendment to restore a portion of the bill, deleted in the Crime Prevention Committee, to make it more difficult for a person convicted of DWI to petition for reinstatement of their driver's licence. Sen. Pat Pariseau (R-Farmington) objected to the amendment on the grounds that it was not germane to the bill. Betzold said the amendment should be considered germane because the provision was part of the original bill. Sen. Alan Spear (DFL-Mpls.) said he supported Pariseau because the term "original bill" means the form that the bill came to the Senate floor not

how it was heard in committee. The chair ruled in favor of Pariseau's objection. The bill was recommended to pass.

S.F. 3036, also carried by Betzold, relates to limited partnerships and provides that a partner may not withdraw from a limited partnership except at the time or upon the happening of events specified in writing in the partnership agreement.

Sen. Charles Berg (Independent-Chokio) offered an amendment that allows certain farmers, who do not live on their farms, to enter into limited partnership agreements. Berg said his amendment treats this class of farmers like all other business owners and will make it easier for farms to be passed from one generation to the next.

Sen. Steven Morse (DFL-Dakota) objected to the amendment on the grounds that it was not germane to the bill. He said that although it does deal with limited partnerships the amendment relates to a different section of law. Morse added that the amendment goes to a different purpose and the agriculture industry in Minnesota has always been treated separately. The chair ruled in favor of Morse's objection. The bill was recommended to pass.

Victim access bill gains

The Wed., Mar. 4, afternoon floor session was devoted to discussion of several bills on General Orders.

Sen. Ember Junge (DFL-New Hope) presented S.F. 2758, a bill that expands data practices act to allow victims' access to certain juvenile records, and allows the county attorney to give the referring law enforcement agency a summary result of the referral. Sen. Linda Higgins (DFL-Mpls.) asked if the bill would reduce barriers in sharing information between schools and law enforcement agencies in cases where dangerous juveniles, transferring from one school to another, for example, pose a danger to innocent children. Junge responded that Higgins had raised an excellent issue, but not one that is resolved through this bill. Sen. Jane Ranum (DFL-Mpls.) added that current law states information can be shared between schools and law enforcement agencies only after the case has been adjudicated.

Sen. Thomas Neville (R-Northfield) said he supported the bill and offered an amendment to extend the victims' rights by permitting the victim to attend related court proceedings, except when excluded by courts. Sen. Sheila Kiscaden (R-Rochester) amended Neville's amendment to maintain the legal distinction between access to juvenile records versus adult court records. The bill, as amended, was granted preliminary passage.

Junge then presented, S.F. 2493, which she said was a simple bill limiting liability of financial institutions that provide fraudulent check data to the criminal alert network. Kiscaden offered an amendment, which contained the language of another bill, to provide employers with immunity from liability when they provide reference information on former employees. Junge questioned the germaneness of the Kiscaden amendment and said, "Your bill is a big bill dealing with employment and employees. My bill is a little bill dealing with bad checks and criminals." Kiscaden said both bills deal with civil action and limiting liability. The chair ruled that the Kiscaden amendment was not germane.

Neville appealed the chair's decision and asked for roll call vote. Sen. Allan Spear (DFL-Mpls.) asked members to uphold the decision of chair and to object only when the chair makes an egregious error. The motion to uphold the chair's decision on the germaneness of the Kiscaden amendment carried on a 41-17 roll call vote. The bill was then granted preliminary passage.

The committee also discussed S.F. 2756, authored by Sen. Steven Novak (DFL-New Brighton), a bill that provides penalties for violations of underground storage tank statutes and rules. Novak offered an amendment, which was subsequently divided into portions dealing with rules and anti-freeze disposal. Both amendments were adopted. Due to time constraints, Novak progressed the bill.

Sen. Mark Ourada (R-Buffalo) moved to reconsider the vote on H.F. 3070, a bill that provides variance for decorative gas lamps, in order to draft an amendment to the bill. The bill was returned to General Orders.

Floor action

Friday, February 27

Bills granted concurrence and repassage

S.F. 2315-Robertson: Makes technical changes to show the director of the Office of Technology as a member of various organizations. 48-0

Bills granted final passage on Special Orders

S.F. 3378-Pogemiller: Omnibus K-12 supplemental budget. Provides for general education, special education, interagency service, lifelong learning, technology, facilities and organization, academic excellence, education policy and state agencies. 63-1

Monday, March 2

Bills granted final passage on the Calendar

S.F. 2545-Junge: Requires individuals convicted of felony indecent exposure to register as predatory offenders. 57-0

S.F. 2594-Foley: Clarifies laws relating to contributing to a child's delinquency, status as a juvenile petty offender, or need for protection or services and imposes civil and criminal penalties. 57-0

S.F. No. 3068-Runbeck: Corrects an appropriation error, modifies workers compensation reporting requirements, and eliminates certain reimbursement requirements. 57-0

Bills granted final passage on the Consent Calendar

S.F. 3033-Cohen: Extends the Ramsey county family court combined jurisdiction pilot project for two years. 58-0

H.F. 3095-Terwilliger: Designates a date in February as Chaplains Day in honor of four United States army chaplains who sacrificed their lives at sea for other service members. 57-0

Bills granted preliminary passage on General Orders

H.F. 3040-Lourey: Modifies requirements for documentation of long-term care facility payrolls.

S.F. 2445-Novak: Regulates excavation notice system, authorizes commissioner of public safety to appoint a pipeline safety committee and increases civil penalty.

S.F. 2097-Kelly, R.C.: Includes witness tampering within the list of crimes for a mandatory minimum sentence applies, increases the penalties for crimes committed for the benefit of a gang, and requires a mandatory minimum sentence for certain crimes committed for the benefit of a gang.

S.F. 2316-Murphy: Continues the uniform program for registration and permitting of intrastate carriers of hazardous materials, eliminates requirement of criminal background check and imposes a fee.

H.F. 3332-Ranum: Modifies conditions for open adoption agreements and makes technical changes to the putative father registry.

S.F. 2684-Ranum: Provides criminal penalties for whoever violates an order for protection/minor respondent, prohibits violators of those orders from possessing firearms and clarifies service of notice under the harassment restraining order law.

S.F. 2382-Kiscaden: Changes a deadline for commissioner of human rights determination of complex cases and eliminates a notice requirement.

S.F. 3011-Lessard: Prohibits the taking of white bears.

S.F. 2334-Johnson, J.B.: Requires snowmobiles registered in another jurisdiction that use a state or grant-in-aid trail to have a state trail sticker, authorizes agents and subagents for the sale of state trail stickers and imposes procedures for sale of the stickers.

H.F. 2612-Johnson, J.B.: Designates the State Trooper Timothy J. Bowe Memorial Highway.

H.F. 2895-Solon: Modifies permitted investments of township mutual insurance companies and regulates farm risks.

S.F. 2581-Kiscaden: Permits the appointment of the Olmsted County auditor/treasurer.

S.F. 2256-Marty: Eliminating certain elections provisions that have been ruled unconstitutional.

S.F. 2587-Kelly, R.C.: Expands the enhancement penalties for crimes committed for the benefit of a gang to include crimes that are motivated by involvement with a gang.

H.F. 3250-Pappas: A resolution memorializing the President and Congress of the United States to enact the Aircraft Repair Station Safety Act of 1997.

S.F. 3016-Johnson, D.J.: Authorizes acceptance of dump materials at certain qualified landfills.

S.F. 1378-Betzold: Modifies the Data Practices Act. Provides for data privacy for certain audit information, classifies certain law enforcement data, provides for the classification of and access to government data, provides that certain documents may be classified as nonpublic data until negotiations with vendors and best and final offers are received and makes technical and clarifying changes to tax disclosure provisions.

S.F. 2420-Kelly, R.C.: Directs the commissioner of public safety to study the use of blue lights on emergency vehicles and road maintenance vehicles.

S.F. 3032-Wiener: Regulates investments of certain insurers.

S.F. 2108-Berglin: Establishes requirements for blood lead analysis reports and data, provides for lead abatement, lead hazard reduction, and lead risk assessment, authorizes licensure of persons and firms to perform lead work, provides for grants, and establishes a lead-safe property certification program.

S.F. 1654-Ten Eyck: Provides for fee changes for filing and recording certain documents relating to real property.

S.F. 2274-Solon: Regulates beer brewers and wholesalers, provides for the obligations of successors, allows the commissioner of public safety to issue on-sale licenses to Giants Ridge and Ironworld Discovery Center, modifies restrictions for temporary on-sale licenses, authorizes issuance of temporary on-sale licenses to state universities, regulates malt liquor sampling, and authorizes certain cities to issue additional on-sale licenses.

H.F. 2642-Higgins: Exempts certain overpaid benefits from the state's standard collection procedure.

H.F. 2809-Wiener: Requires copies of audited financial statements to be provided to members of the city council and the mayor, or to the town board members, and presented at a regularly scheduled meeting of the city or town's governing body.

S.F. 2372-Lourey: Requires hepatitis B immunization for children.

S.F. 3090-Ten Eyck: Provides for petitions for the dissolution of town subordinate service districts.

S.F. 2725-Betzold: Authorizes additional methods for recorder and registrar functions.

S.F. 2346-Flynn: Adds the executive director of the Minneapolis Police Civilian Review Board to the list of unclassified

Floor action

employees purposes, establishes and provides the powers and duties of the midtown planning and coordination board and removes an age ceiling for new firefighters in Minneapolis.

H.F. 2736-Lourey: Authorizes counties to make gifts to certain charitable organizations.

H.F. 2601-Wiener: Regulates lien or claim waivers and subcontractor payments in building and construction contracts and modifies the redemption period for property sold at a mechanic's lien foreclosure sale.

S.F. 2595-Foley: Creates a felony penalty for criminal contempt involving failure to obey certain subpoenas and for certain offenders who fail to appear for criminal proceedings.

S.F. 2207-Hottinger: Exempts certain prescriptions from bearing a federal drug enforcement administration registration number and restricts the use and the release of the federal drug enforcement administration registration number.

S.F. 2068-Kelley, S.P.: Provides for the reliability of electronic messages, provides for certification authorities, provides licensing and enforcement powers, defines terms and provides for rulemaking.

S.F. 2861-Hottinger: Provides immunity for the use of automatic external defibrillators.

S.F. 668-Kiscaden: Enacts the Industrial Hygienist and Safety Professional Title Protection Act and providing title protection to the professions of industrial hygiene and safety.

S.F. 2269-Stumpf: Clarifies provisions relating to hearings of the board of water and soil resources, increases the level of exempted bids for watershed districts, modifies the public review period for wetland replacement plans, provides for notice of local wetland plan development to the commissioner of agriculture, requires approval of certain wetland replacements and requires a report on wetland law consolidation.

S.F. 2317-Higgins: Clarifies responsibility for compensating innocent third parties whose property is damaged by law enforcement officers.

S.F. 2586-Kelly, R.C.: Requires sex offender treatment facilities to provide certain information regarding sex offenders, clarifies which law enforcement agency may request the end-of-confinement review committee to reassess the risk level to which an offender has been assigned, adjusts the time within which certain requirements of the community notification law must be met, and eliminates duplicative efforts on notifying victims of certain information.

S.F. 1814-Scheid: Modifies provisions relating to the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design.

S.F. 2498-Kelly, R.C.: Requires sex offenders moving into Minnesota to register within five days, authorizes adult and juvenile offender registration information to be maintained together, and expands prosecutorial jurisdiction.

S.F. 2945-Stumpf: Enters into the interstate emergency management assistance compact in order to share resources in the event of natural disasters.

S.F. 2378-Junge: Defines the terms "professional" and "professional services" as they relate to professional corporations and professional firms.

S.F. 2489-Solon: Regulates residential mortgage loans and establishes table funding requirements.

H.F. 2846-Johnson, D.J.: Provides for automobile insurance

premium reduction for completion of accident prevention course.

S.F. 695-Berglin: Provides for non-profit health care trust regulation, defines a nonprofit health care trust, and establishes requirements for certain agreements or transactions between nonprofit health care trusts and for-profit corporations or entities.

S.F. 2879-Vickerman: Regulates security interests in agricultural crops and modifying the treatment of certain collateral.

Wednesday, March 4

Bills granted concurrence and repassage

S.F. 2477-Stumpf: Codifies reorganization order number 179 with respect to the Dept. of Children, Families, and Learning and the Dept. Economic Security.

Bills granted preliminary passage on General Orders

S.F. 2730-Robertson: Makes technical corrections relating to information systems and technology, data practices and appropriations within the Dept. of Administration, authorizes the commissioner to apply for and receive grants, designates the department as the responsible agency for certain federal programs and clarifies the department's administration authority over building operations and maintenance.

H.F. 2616-Metzen: Provides for city administration of the dangerous dog registration system.

S.F. 1258-Scheid: Regulates residual liability insurance on nonowned vehicles.

S.F. 2447-Sams: Modifies provisions relating to speech-language pathologists, unlicensed mental health practitioners, alcohol and drug counselors, physical therapists, and hearing instrument dispensers and authorizes exempt rulemaking.

S.F. 2416-Frederickson: Modifies the debt collections act.

H.F. 3071-Ourada: Updates petroleum specifications.

S.F. 2751-Anderson: Requires employers to make accommodation for nursing mothers.

S.F. 2926-Junge: Expands a peace officer's authority to make traffic-related arrests and provides that an owner or lessee of a motor vehicle is guilty of a petty misdemeanor if the vehicle is used to commit a cross-walk violation.

S.F. 3036-Betzold: Regulates withdrawals by limited partners and changes state law to provide favorable federal estate tax valuation treatment in certain circumstances.

S.F. 2869-Betzold: Modifies the required contents of petitions seeking judicial expungement orders.

S.F. 2758-Junge: Authorizes access to certain juvenile records and provides for the state court administrator to prepare annual reports of delinquency dispositions.

S.F. 2493-Junge: Limits liability of financial institutions providing data for the criminal alert network.

Thursday, March 5

Bills granted final passage on Special Orders

S.F. 3388-Langseth: Capital budget bill. Authorizes spending for public purposes, authorizes spending to acquire and to better public land and buildings and other public improvements of a capital nature with certain conditions, authorizes the sale of state bonds and appropriates money. 45-22. Laid on the table.

How a bill becomes a law

The first step of the lawmaking process is to transform an idea into a specific proposal for a law. The proposal may be for a new law, for changing current law or for repealing an old law. The idea for a proposal may originate from a variety of sources: individuals, public interest groups, state agencies, businesses or legislators.

These proposals must be put in proper legal form before they can be introduced as bills in the Senate or House. It is the responsibility of the Revisor of Statutes to put the proposals in the correct form. Bills are drafted by a staff of attorneys and typed into a computerized bill printing system. Only Senators and Representatives can introduce legislation. Even the governor must find a legislator willing to sponsor gubernatorial proposals.

Once the bill has been drafted, the legislator sponsoring the bill is given four copies for introduction in the Senate and four copies for introduction in the House of Representatives. Assuming the legislator is a member of the Senate, the Senator will then sign the cover of the Senate File as chief author and will ask up to four other Senators to be co-authors. The Senator usually finds a member of the House to introduce the same bill, called a companion bill, in that body. The Representative who is the chief author may also have as many as four members sign the bill as co-authors.

It is important to note the role the chief author plays in handling a piece of legislation. The chief author determines whether to request a committee hearing for the bill, when the bill will be considered in the Committee of the Whole, when the bill will be placed on final passage, and whether to concur in any House amendments placed on a Senate bill or whether to request a conference committee. The chief author's support or opposition to proposed amendments will influence the actions of other members. Customarily, no action will be taken on a bill unless the chief author is present.

When the Senator has obtained co-authors, the bill is submitted to the Secretary of the Senate. The Secretary gives the bill a Senate File number and

prepares it for introduction. The President of the Senate then refers the bill to the committee that has jurisdiction over the same subject area as the bill. For instance, a bill relating to fishing is referred to the Committee on Environment and Natural Resources. Titles of bills being introduced are printed in a "Gray Agenda" prepared for each daily session. The name of the author and the proposed committee referral are also indicated.

It is at the point of introduction that the bill is given its first reading. It is also at this point that a Senator may disagree with the committee reference and object under Rule 35. If Rule 35 is used, the bill is automatically sent to the Rules and Administration Committee, which determines whether to let the initial reference stand or to send the bill to another committee.

No further action is taken on the bill until the chief author requests a committee hearing. After a request is made, a hearing date is set and all interested persons who have asked to be notified are contacted. Notices are published in Senate publications and are posted on bulletin boards found throughout the Capitol and State Office Building. Notice is also posted on the Legislative World Wide Web site (<http://www.leg.state.mn.us>) and distributed electronically via listserv.

At the committee hearing, the chief author explains the bill and presents expert testimony, if needed. Proponents and opponents are allowed to state their views. Amendments, or changes to the bill, are often made that improve the quality of the bill or attract additional support. Very often a compromise is reached that makes the bill acceptable to opposing sides.

After all testimony and debate are completed, the committee members may either recommend that the bill, and any adopted amendments, be reported to the entire Senate for consideration, or that the bill be defeated and left in the committee. If a bill the committee members intend to recommend for passage is noncontroversial, the committee report may recommend that the bill

be placed on the Consent Calendar. Most bills, however, are placed on General Orders. Sometimes, especially if the bill contains financial implications, the committee report will recommend that the bill be referred to another committee such as one of the various finance committees.

During each daily session, the Senate receives reports from the committees. These reports are adopted almost routinely. It is simply a procedure that allows bills receiving favorable action by committees to be brought before the entire Senate. Adoption of the committee report does not imply that a majority of the Senate will vote for the bill. After the reports have been adopted, the bills are given their second reading and are placed on General Orders or on the Consent Calendar.

In order to consider bills on General Orders the Senate resolves itself into the Committee of the Whole. The Committee of the Whole is the entire Senate acting as one large committee. The rules are less formal than at other times during the daily session, and this is when bills on General Orders are discussed and amended.

Bills are taken up in the order of their listing on General Orders, unless the chief author is out of the Chamber or unless the chief author feels, for various reasons, that it is not the proper time to present the bill. The author explains the purpose of the bill and offers any amendments that will improve the quality of the bill or enhance its chances of gaining approval. Other Senators may ask questions and offer their own amendments. After all discussion and amendments have been considered -- a process that may last three or four minutes or go on for several hours -- the author will move that the bill be recommended to pass. If a simple majority favors the motion, the bill is placed on the Calendar the next day for final approval.

The Calendar is the last step before the bill is passed by the Senate or House and sent to the other body for its consideration, or if already passed by the other body, sent to the governor for signature or veto.

When considering a bill on the Calendar, the bill is given its third reading and placed on final passage. No amendments may be offered without the unanimous consent of the body. The bill must receive 34 votes in the Senate and 68 votes in the House in order to pass.

After the Calendar is considered, the Senate takes up the Consent Calendar. The bills on the Consent Calendar are noncontroversial and bypass the Committee of the Whole. The chief author will explain the bill, offer any amendments necessary and respond to any questions. Usually there are no questions, and the bill is given its third reading and placed on final passage.

If a Senator objects to the presence of a bill on this noncontroversial calendar, and the objection is supported by two other Senators, the bill will be placed at the bottom of General Orders. Another motion may also place a bill at the top of General Orders.

Once a bill has passed the Senate or the House, it is sent over to the other

body to be substituted for its companion bill and to be considered by the members of that body. When a House File is sent to the Senate, it is substituted for its companion Senate File but the language remains the same as the Senate File.

It is important to remember that in order for a bill to become law in Minnesota, it must receive three readings in each body. Thus, when a House File is sent to the Senate, it is given its first reading when it is received from the House on a message, its second reading when reported out of committee or substituted for a companion Senate File already on the floor, and its third reading just before final passage. The same procedure is followed by the House for Senate Files.

If the Senate amends a House File and then passes the bill, it must go back to its original body for further consideration. This is because both bodies must give final passage to the same bill with the same language in order for the bill to become law.

For example, if the House returns a Senate File with an amendment attached to the bill, the Senate may either adopt the amendment and repass the bill as amended, or the Senate can request that a conference committee be appointed to resolve the differences. The choice is made by the chief author with the agreement of the Senate.

In cases of disagreement between the Senate and the House of Representatives, a conference committee consisting of three or five members from each body will be appointed. The conference committee must meet and try to reach a compromise on the differences. If the committee fails to agree, it may be discharged and new members appointed. Once the differences have been settled, the conference committee makes a report to each body.

When the conference committee report is adopted, the bill, as amended by the conference committee, is repassed by both bodies and sent to the governor for approval or veto.

Preview

Schedules for the balance of the 1998 Session are expected to be somewhat fluid. For the latest information on conference committee meetings and scheduled floor sessions, please contact the Senate Information Office at (612) 296-0504 or, toll free at 1-888-234-1112 (TTY: (612) 296-0250 or toll free 1-888-234-1216). Information may also be obtained by checking the Senate's World Wide Web site at: <http://www.senate.leg.state.mn.us>

Monday, March 9

The Senate is in session at 11 a.m.

Tuesday, March 10

The Senate is in session at 9 a.m.

Wednesday, March 11

The Senate is in session at 9 a.m.

Rules and Administration Committee

Chair: Sen. Roger D. Moe

Immediately after session, Room 107 Capitol

Agenda: Personnel issues. S.F. 2421-Junge: (Late bill-JR 2.03) Regulating telecommunication commerce. S.F. 2130-Foley: (Late bill-JR 2.03) Definition of durable medical equipment. S.F. 2763-Scheid: (Late bill-JR 2.03) Bonus plan for lottery retailers. S.F. 161-Wiener: Constitutional amendment to abolish the Office of State Treasurer. S.F. 486-Morse: (Late bill-JR 2.03) Constitutional amendment to dedicate a percent-

age of lottery proceeds to MN state colleges/universities to provide financial support to students of low-income families. S.F. 2775-Hottinger: Constitutional amendment to establish the children's endowment fund. S.F. 41-Lessard: Constitutional amendment to affirm the rights of citizens to hunt or take game and fish.

Thursday, March 12

The Senate is in session at 9 a.m.

Friday, March 13

The Senate is in session at 9 a.m.

1998 Chapters and Resolutions

Chap.	S.F.	Senate Author	H.F.	House Author	Description	Signed
252	2111	Samuelson	2492	Anderson, I.	Fish house restrictions and license periods modified	2/12/98
253	663	Higgins	661*	Biernat	Landlord and tenant law recodified, clarified and relocated.	2/18/98
254	2134	Betzold	2524*	Chaudary	Revisor's bill.	2/18/98
255	1440*	Ranum	1554	Dawkins	Uniform certification of questions of law act adopted.	2/19/98
256	2017	Moe, R.D.	2372*	Lieder	Norman County Medical Center bid exemption.	2/25/98
257	2261	Sams	2550*	Otremba	Rural hospital flexibility program.	2/25/98
258	2167	Metzen	2338*	Folliard	Gulf war vet bonus program modified.	2/25/98
259	2156	Higgins	2499*	Stanek	Hennepin County board small purchase limit increased.	2/27/98
260	2478*	Samuelson	2890	Tunheim	Savings association act maintained.	2/27/98
261	2345	Morse	2828*	Tingelstad	Commissioner of Health public water supply approval authority modified.	3/4/98
262	2031*	Betzold	2390	Pugh	Real property conveyance provisions modified.	3/4/98
263	2028*	Sams	2576	Juhnke	Emergency vehicle signal operation modification	3/4/98
264	2379*	Metzen			Local government unit aid distribution clarification in township annexation.	3/4/98
265	2621*	Scheevel	2646	Jefferson	Reemployment insurance technical changes.	3/4/98
266	2122	Metzen	2590*	Jennings	Tenant security deposit interest rate increase.	3/4/98
267	2170*	Lessard	2425	Anderson, I.	Watercraft trailers and ATV's exempt from motor vehicle sales on Sunday prohibition.	
268	2525*	Wiger	2927	McCollum	Ramsey County purchases from health care cooperatives.	
269	2685*	Vickerman	3119	Olson, E.	Public officers contract interest authority clarification.	
270	2315*	Robertson	2811	Kahn	Director of Office of Technology membership to various organizations clarified.	
Res. 5	2055	Pogemiller	2417*	Jaros	Congress memorialized to support the admission of Poland, Czech Republic and Republic of Hungary to NATO.	Filed without signature

Minnesota Senate 1998

Party	Phone	Name	Room	Dist.	Party	Phone	Name	Room	Dist.
DFL	296-5537	Anderson, Ellen R.	G-24 Cap.	66	DFL	6-5645	Marty, John	325 Cap.	54
DFL	6-5713	Beckman, Tracy L.	124B Cap.	26	DFL	6-4370	Metzen, James P.	303 Cap.	39
R	6-5975	Belanger, William V.	113 SOB	41	DFL	6-2577	Moe, Roger D.	208 Cap.	2
IND	6-5094	Berg, Charles A.	G-51 SOB	13	DFL	6-5649	Morse, Steven	G-24 Cap.	32
DFL	6-4261	Berglin, Linda	309 Cap.	61	DFL	6-4264	Murphy, Steve	301 Cap.	29
DFL	6-2556	Betzold, Don	306 Cap.	48	R	6-1279	Neuville, Thomas M.	123 SOB	25
DFL	6-5931	Cohen, Richard J.	317 Cap.	64	DFL	6-4334	Novak, Steven G.	322 Cap.	52
R	6-9457	Day, Dick	147 SOB	28	R	6-4837	Oliver, Edward C.	121 SOB	43
R	6-4131	Dille, Steve	103 SOB	20	R	6-1282	Olson, Gen	119 SOB	34
R	6-2084	Fischbach, Michelle L.	149 SOB	14	R	6-5981	Ourada, Mark	145 SOB	19
DFL	6-4274	Flynn, Carol	120 Cap.	62	DFL	6-1802	Pappas, Sandra L.	120 Cap.	65
DFL	6-4154	Foley, Leo T.	G-9 Cap.	49	R	6-5252	Pariseau, Pat	109 SOB	37
R	6-8138	Frederickson, Dennis R.	139 SOB	23	DFL	6-9248	Piper, Pat	G-9 Cap.	27
DFL	6-3219	Hanson, Paula E.	328 Cap.	50	DFL	6-7809	Pogemiller, Lawrence J.	235 Cap.	59
DFL	6-9246	Higgins, Linda I.	227 Cap.	58	DFL	7-8060	Price, Leonard R.	235 Cap.	57
DFL	6-6153	Hottinger, John C.	120 Cap.	24	DFL	7-8061	Ranum, Jane B.	306 Cap.	63
DFL	6-8017	Janezich, Jerry R.	328 Cap.	5	R	6-4314	Robertson, Martha R.	125 SOB	45
DFL	6-9261	Johnson, Dave	111 Cap.	40	R	6-4123	Robling, Claire A.	151 SOB	35
R	6-3826	Johnson, Dean E.	117 SOB	15	R	6-1253	Runbeck, Linda	107 SOB	53
DFL	6-8881	Johnson, Douglas J.	205 Cap.	6	DFL	7-8063	Sams, Dallas C.	328 Cap.	11
DFL	6-5419	Johnson, Janet B.	G-9 Cap.	18	DFL	6-4875	Samuelson, Don	124 Cap.	12
DFL	6-2889	Junge, Ember R.	205 Cap.	46	R	6-3903	Scheevel, Kenric J.	129 SOB	31
DFL	7-8065	Kelley, Steve	321 Cap.	44	DFL	6-8869	Scheid, Linda	317 Cap.	47
DFL	6-5285	Kelly, Randy C.	323 Cap.	67	DFL	6-4188	Solon, Sam G.	303 Cap.	7
R	6-4848	Kiscaden, Sheila M.	135 SOB	30	DFL	6-4191	Spear, Allan H.	120 Cap.	60
R	6-6455	Kleis, Dave	143 SOB	16	R	6-8075	Stevens, Dan	105 SOB	17
R	6-4120	Knutson, David L.	133 SOB	36	DFL	6-8660	Stumpf, LeRoy A.	G-24 Cap.	1
DFL	6-7061	Krentz, Jane	235 Cap.	51	DFL	6-4913	Ten Eyck, David J.	G-24F Cap.	4
R	6-4351	Laidig, Gary W.	141 SOB	56	R	6-6238	Terwilliger, Roy	115 SOB	42
DFL	6-3205	Langseth, Keith	122 Cap.	9	DFL	6-5650	Vickerman, Jim	226 Cap.	22
R	6-5655	Larson, Cal	153 SOB	10	DFL	7-8073	Wiener, Deanna L.	303 Cap.	38
R	6-4125	Lesewski, Arlene J.	131 SOB	21	DFL	6-6820	Wiger, Charles W.	325 Cap.	55
DFL	6-4136	Lessard, Bob	111 Cap.	3	Capitol address: 75 Constitution Avenue				
R	6-2159	Limmer, Warren	127 SOB	33	State Office Building address: 100 Constitution Avenue				
DFL	6-0293	Lourey, Becky	G-9 Cap.	8	St. Paul, MN 55155				

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Photo by Donna Kelly.

March 13, 1998

Senate Highlights

Omnibus ag bill debated

The first portion of the Thurs., Mar. 12, floor session was devoted to lengthy debate over the omnibus agricultural bill, S.F. 3109, authored by Sen. Dallas Sams (DFL-Staples). A floor fight also erupted over a parliamentary decision regarding discussion of H.F. 3840, the omnibus tax.

S.F. 3109, authored by Sams, is an agricultural bill that contains numerous provisions relating to feedlots. The bill provides certification for manure testing, adds requirements for manure storage structures, defines "animal units," requires a report on manure applicator training, modifies requirements for environmental review of proposed feedlots, establishes a voluntary rural dispute resolution procedure, modifies provisions relating to animal cruelty, and provides alternatives for animal disposal. Sams characterized his bill as containing environmentally sensitive provisions that also respect the animal production industry.

Senators then began offering amendments to the bill. Sams offered an amendment, which was adopted, to allow a petitioner in the same watershed or within a 10-mile radius of a feedlot to sign a petition requesting an environmental review of the feedlot. Sams offered

another amendment, which was adopted, to deny a permit to anyone in "willful" violation of environmental regulations which inflicted environmental damage. Sen. Steven Morse (DFL-Dakota) asked if the amendment applied to "bad actors" who demonstrated gross negligence in inflicting environmental damage, rather than a willful intent. Sams responded that the amendment also allows state and local authorities to deny a permit if the operator is judged incompetent.

Sen. Tracy Beckman (DFL-Bricelyn) offered two amendments, one of which was withdrawn, to prevent permitting of open-air swine manure storage lagoons. Beckman withdrew his first amendment after Senators raised concerns about imposing a moratorium on feedlot expansion. Beckman offered a second amendment which he said deleted language to address Senator's concerns. He said, "I would not support the amendment if it were a moratorium on feedlots. This simply prohibits the use of open-air swine manure storage lagoons." Sen. Charles Berg (IND-Chokio) said he opposed the second amendment because it extended the prohibition period to beyond two years and reduced animal units to a definition even below national

standards. Sen. Steve Dille (R-Dassel) said he could not support a ban on all open-air structures. Sen. Jim Vickerman (DFL-Tracy) said the amendment imposed an unnecessary mandate on local units that already have the authority to deal with this issue.

Morse said he supported the amendment because it prohibited all open-air lagoons, not just those with earthen clay bottoms. Sen. Ellen Anderson (DFL-St. Paul) also supported the amendment and said, "The feedlot issue goes beyond odor and beyond rural Minnesota. I am concerned about the more substantial impact of spills and leaks on water quality and safety for the whole state." She said Legislators have a responsibility to set minimum environmental standards because county commissioners may be influenced by wealthy landowners who may not be environmentally sensitive. The Beckman amendment failed on a 26-35 roll call vote.

Sen. Dean Johnson (R-Willmar) also offered two amendments, one of which was withdrawn, on the same issue. The second amendment places a prohibition on permitting of open-air swine feedlot earthen clay, or flexible membrane storage lagoons until June 30, 2000. Johnson said that not permitting the lagoons for two years will not shut down agriculture in this state. Morse said the amendment does not go far enough and should also prohibit concrete bottom lagoons. Sen. Arlene Lesewski (R-Marshall), Sen. Dennis Frederickson (R-New Ulm), and Berg said they believe permitting authority should remain with county. The amendment was adopted on a 42-18 roll call vote.

Morse offered an amendment to require at least one environmental advocate on the board of the Pollution Control Agency. He said current statutes do not allow for appointment of an environmental expert recognized as representing the views of environmental advocacy groups throughout the state. The President ruled the amendment was not germane.

Morse offered another amendment to broaden the environmental review process to allow any interested party to sign a petition and provide material evidence of environmental damage caused by feedlots. Morse said the Sams amendment was undemocratic, unreasonable, and reduces public accountability in the industry. Sams said his amendment

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strikes a middle ground and allows those people with a stake in the matter to sign a petition for an environmental review. The amendment failed on a 24-36 roll call vote.

Sen. Jane Krentz (DFL-May Township) offered an amendment to delete a section of the bill that allows farmers to dispose of swine carcasses into the waste stream. She said the proposed disposal practice raises a critical public health issue regarding the spread of potentially lethal viruses. She urged members to delete the provision. Dille said swine carcasses are generally not diseased and that the bill offers an appropriate, convenient, and recommended alternative method of disposal. Krentz reiterated that the spreading of a dangerous virus is a lethal possibility with this method of disposal. The amendment was adopted on a 39-16 roll call vote.

Sen. Becky Lourey (DFL-Kerrick) offered an amendment to delete a section of the bill that changes how the state counts animal units, which she said may double the number of animals allowed in feedlots. She said the Legislature should deliberate longer on the issue--with discussion, forethought, and preparation time--since all environmental practices and review are based on current measurements of animal units. Sen. Kenric Scheevel (R-Preston) said the Legislature should set fair standards that do not favor, or discriminate against, one animal producer over another. The Lourey amendment failed on a 27-33 roll call vote.

Morse expressed his final concerns over provisions, in particular, that establish the environmental review process. He said he believed the Legislature was rolling back environmental oversight and undermining the basic regulatory structure over the issue of feedlots. Dille said the bill offers significant environment protection and recognizes the importance of the animal production industry. Moreover, Dille said legislation in this session appropriates money to fund studies to educate the public on the environmental and economic impact of feedlots. Sen. Jane Ranum (DFL-Mpls.) urged members to view the environmental impact of the animal production industry as they would any other urban industry. Vickerman said members should balance the financial hardships on farmers, who must expand feedlots to

survive, with environmental concerns. Sams said he disagreed with Morse that the bill was not environmentally sensitive enough. He said the bill will allow all issues and viewpoints to be heard and debated when it is presented to the conference committee.

The measure was granted final passage on a 47-17 roll call vote.

Earlier, Majority Leader Roger Moe (DFL-Erskine) moved to substitute the language in S.F. 2985, the Senate's version of the omnibus tax bill, onto H.F. 3840, the other body's version of the omnibus tax bill. The motion was adopted, but before the bill could be given final passage Sen. Linda Runbeck (R-Circle Pines) said she objected to the Senate tax bill. Runbeck then offered an amendment which introduces a permanent state income tax rate cut by reducing income tax bracket percentages.

A floor fight erupted over a decision by Senate President, Sen. Allan Spear (DFL-Mpls.), to recognize a motion by Sen. Don Betzold (DFL-Fridley) to lay the omnibus tax bill on the table. Runbeck moved to appeal the chair's decision. Debate ensued over whether Runbeck could yield to another Senator without the other Senator gaining the recognition of the chair. Spear's decision was sustained on a 43-18 roll call vote and the measure was laid on the table.

Later, the measure was taken from the table and members debated the Runbeck amendment. According to Runbeck, the amendment provides \$1 billion in income tax cuts. Sen. Sheila Kiscaden (R-Rochester), Sen. Pat Pariseau (R-Farmington), Sen. Kenric Scheevel (R-Preston), Sen. Gen Olson (R-Minnetrista), Sen. Warren Limmer (R-Plymouth) and Sen. Edward Oliver (R-Deephaven) all spoke in support of the amendment, however the amendment was defeated on 22-41 roll call vote. Members then granted final passage to the omnibus tax bill on a 48-16 roll call vote.

Bill for 0.08 limit passed

The afternoon portion of the Thurs., Mar. 12, floor session was dominated by debate on a bill to reduce the legal blood alcohol limit for a person operating a motor vehicle.

S.F. 2099, carried by Sen. Leo Foley (DFL-Anoka), lowers the blood alcohol concentration (BAC) limit from 0.10 to

0.08 percent for individuals operating a motor vehicle in Minnesota. Foley said all the recent studies conducted show that at the .08 percent level a driver is significantly impaired and should not be on the road. He added that a great number of individuals, organizations, and the law enforcement community are in support of the bill.

Sen. David Knutson (R-Burnsville) supported Foley's argument and said the state should support the evidence that studies have shown and lower the limit because it will save lives.

Sen. Steven Novak (DFL-New Brighton) offered an amendment to not apply the .08 percent BAC limit to first time offenders. Novak said the amendment allows the bill to get at repeat offenders and with limited law enforcement dollars the state needs to get the most for its resources. "California has a .08 percent law and the increase in arrests has come from repeat offenders," Novak said.

Sen. Ember Junge (DFL-New Hope) said it makes no sense to treat first time and repeat offenders differently. "Either you think someone is impaired at .08 percent or you don't, so this is an easy vote," Junge said.

Sen. Allan Spear (DFL-Mpls.) said this is an issue where reasonable people can disagree and that there has been strong testimony on either side. Spear said that any limit is somewhat arbitrary because degrees of impairment are on a continuum. He pointed out that the state already has more stringent standards and different punishments for special circumstances. He said truck drivers are tested at .04 percent and those convicted of having a BAC above .20 percent receive stiffer penalties. Novak countered that arrests for first time offenders are dropping and that the real goal is to get multiple offenders off the roads.

Sen. Dean Johnson (R-Willmar) offered an amendment to the amendment to provide for an alcohol concentration limit of 0.08 for all offenders if a federal law is enacted requiring the 0.08 limit. Johnson said the amendment was needed to insure that Minnesota not lose millions in federal transportation dollars. The amendment to the amendment was adopted. The Novak amendment was adopted on a 33-31 roll call vote.

The bill was granted final passage on a 64-0 roll call vote.

Committee update

Environment and Agriculture Budget Division

School trust land report heard

The Environment and Agriculture Budget Division heard presentations on the Legislative Auditor's report on school trust land, Weds., Mar. 11, in order to consider some of the report's implications for trust fund policy and management.

"I think the investment policy we've had for the permanent school trust fund since 1986 is probably the biggest scandal in state government today," said Environment and Agriculture Budget Division Chair Steven Morse (DFL-Dakota), referring to the investment limitations placed on the State Board of Investment (SBI) for the fund. Morse said that he asked employees from the Legislative Auditor's Office, the DNR and SBI to discuss various portions of the report.

"We really think this is an important topic, somewhat complicated and sometimes controversial," said Legislative Auditor Jim Nobles. "Our basic message is that the state should not and really cannot forget its trust obligation when dealing with school trust land," he said. Nobles said one of the main reasons the state often overlooks its trust obligations stems from the relatively small amount of money involved. "Frankly the money that is generated from the land and then put in the trust fund and invested is really a small amount of money in comparison to the overall contribution that the state makes to public education from the general fund," he said.

To maximize the fund's future growth, the Legislature needs to look at various changes to the distribution of fund income, said Tom Walstrom, also with the Legislative Auditor's Office. "The Legislature should consider constitutional and statutory changes to the distribution of income and treatment of capital gains from the permanent school fund, to maximize the fund's future growth," said Walstrom. "Distributing a smaller fixed percentage of income each year will help the fund grow and result in more predictable cash flow," he said.

Other changes the Legislature should implement, said Walstrom, include adding the commissioner of finance to the permanent school fund advisory committee, funding an additional position to staff the advisory committee,

and requiring the DNR to report regularly on trust land management activities and policies.

Roger Brooks, also from the Legislative Auditor's Office, presented an overview of the scope of the report, requested in 1997 by the Legislative Audit Commission. He said the office examined land management policies and practices, interviewed DNR and SBI staff, reviewed literature, the state Constitution and various laws, and surveyed other states with trust land, in order to answer a number of questions. The office examined how the DNR has managed the school trust land given its fiduciary responsibilities related to the Minnesota Constitution and state laws, how the DNR balances its fiduciary responsibilities to the permanent school fund given its natural resource management responsibilities, what returns have been realized for the fund principal from timber sales, mining rents and royalties, lakeshore and other leases, and land sales, and what methods and returns on fund principal investments have been realized by the SBI.

Walstrom said that other states' funds are changing both investment and distribution policies. Since the 1970s, he said, endowment funds have generally moved to stock investments, expendable capital gains, and the distribution of a fixed percentage of market value. Various restrictions that the Legislature placed on the permanent school fund have precluded some of these options, he said, noting that the Constitution requires fund principal to remain inviolate. Walstrom also said that all income from the fund must be distributed to public schools, and that capital gains must be added to the principal. "All dividend and income must be distributed every year," said Walstrom. "That's much higher than most trusts and large endowments distribute," he said.

Walstrom noted that budgetary pressures, including years of budget deficits, led the Legislature to the perceived need for high current income. As a result, stocks were sold and bonds were held to maximize current income, he said. These lower investment returns, coupled with a high distribution rate and small additions to the principal, haven't allowed the fund to keep up with inflation, said Walstrom.

Members asked Walstrom whether any

criteria have been developed to maximize the revenues from the lakeshore lease lots administered by the DNR. Walstrom replied that the results of any fiscal analysis made on the issue vary with the underlying assumptions made on rates of return. "Do you sell the land and get the money to invest in stocks and bonds, and get a return on it? If you get the rate that you could have gotten over the last 10 years in the stock market, then it's pretty tough to beat that. But is that going to happen in the future?" he asked. "It's a real tough call," said Walstrom. "You can vary those assumptions a relatively small amount and have the sale option look better than the lease option," he said.

Ron Nargang, deputy commissioner of the DNR, said that the report clearly asks for a consistent and coherent policy for trust land management. As an example, he said that many of the decisions made by the Legislature regarding the lakeshore lease lots have often benefitted the lease holders, not the state's school children.

Nargang said that there are environmental as well as economic considerations with the remaining lakeshore lease lots that need to be considered before they are sold. He said that the lots represent a total of 16 miles of lake shoreline. "From an environmental perspective, it makes sense to preserve the opportunity to make an intelligent decision regarding that resource somewhere down the road, rather than liquidating them now. Once they are sold, they are gone," said Nargang.

Morse asked whether there were any criteria that can be used to determine whether or not to sell the lakeshore property. "I assume that there are some lots the state really doesn't have much interest in as a long-term resource," said Morse, noting that there might also be outstanding lots the state would have no interest in selling. Nargang said that the DNR completed a lot-by-lot study in 1986 identifying which lots to sell and which to keep, but the final report was never allowed to be released. He said that the DNR is able to update the report if it is requested to do so.

Nargang also discussed the disposition of other trust land, including land in the BWCA. "We are particularly pleased with the direction taken on the trust lands in the BWCA. I think this report is very direct. Given the failure that we

have historically had convincing the federal government to talk about any kind of land exchange for those trust lands in the wilderness areas, the only rational course of action is to get the federal government to condemn the trust land, and to get the school trust fund to realize the benefits from that," he said.

After Sen. Bob Lessard (DFL-Int'l. Falls) raised the possibility of a land exchange, Nargang said that the DNR has been trying for years to get such an exchange to occur, for revenue-generating land such as forest land. "It makes no sense to have 83,000 acres of school trust land tied up in a wilderness area and get nothing back," he said. "But we are at the point where we don't have any hope that that is ever going to occur," said Nargang, noting that the audit report highly recommends the exchange.

Nargang said that DNR Commissioner Rod Sando has formally requested the exchange both through the U.S. Forest Service and through Minnesota's congressional delegation.

Ad Hoc Information Technology

OT presents plan

JoAnn Hanson, executive director of the Office of Technology, presented the office's strategy for developing a master plan for Minnesota's information technology (IT) systems to the Ad Hoc Information Technology Committee Fri., March 6.

In her opening presentation, Hanson said that the Office of Technology looked at other states' plans, but found no common definition of a state IT master plan. She said that most state plans focused on the respective state government, and a few involved the operations of the IT system, but very few involved the stakeholders in the plan development. None of the plans, Hanson said, included a baseline definition of a state IT system. Hanson added that in developing Minnesota's master plan, her office intends to be comprehensive in its scope and look at all of those factors.

Hanson said the office intended to use the development of Minnesota's criminal justice information system as a model for the state's IT master plan because it gathered input from the various user groups. Another goal for the IT plan,

according to Hanson, is to have measurable results of the IT system's effectiveness, but that currently there is no documentation of the status of Minnesota's use of technology.

Committee Chair Steve Kelley (DFL-Hopkins) asked how far away the plan is from completion, and suggested that the office consider different time frames for the various goals of the plan.

Hanson said the office doesn't want to make plans that are too long range because of the technological changes that will come about, but that the office intended to have their plan formulated by October of 1998.

Criticism of the office's plan came from a number of fronts. Sen. Sheila Kiscaden (R-Rochester) said that the plan sounds very global in scope, but that she was struggling to figure out what the office is ultimately going to do. Kiscaden said that after listening to Hanson's presentation, she had no idea of what the office hopes to present to the committee in October.

Kelley said that instead of gathering so much input from stakeholders, the office should set parameters on such aspects as bandwidth and connectivity.

Sen. Martha Robertson (R-Minnetonka) inquired as to how far along the Office of Technology was in completing an inventory of state systems. Scott Mulm, of the office, said the inventory process is complete, and currently the office is looking for redundancies in the state's IT systems.

Robertson said she was less concerned with what the state is trying to accomplish with its IT systems than she is with whether it is being done effectively and efficiently. "Where are we going?" she asked.

Hanson said that is what the Office of Technology is trying to figure out.

Sen. Larry Pogemiller (DFL-Mpls.) said that he was concerned about the North Star project and asked how much more money was needed to connect all the K-12 schools to the North Star system.

Pogemiller said the Legislature previously appropriated money to connect all the schools, and said that all the Office of Technology presented was a plan to develop a plan. "That's unacceptable," Pogemiller said, and added "I have less enthusiasm for this office now than I did two years ago."

Peg Werner, speaking for the Educa-

tion Telecommunications Council, said that the state paid for interactive television and data transmission line connections to all public libraries and public K-12 schools, but it costs \$20 million per biennium to operate the system. She said that if the cost of bandwidth comes down, the operating cost will drop. According to Werner, the plan reimburses the system users for bandwidth, but only to the extent that schools and libraries use it. She added that even though the state brought the system connection to the door of a facility, the facility must pay for internal wiring within the building.

Kelley recommended that the Office of Technology first determine the bandwidth needs of the North Star system. He said that there are already systems in place that put bandwidth demands on the Information Technology system and future expansion of systems will put even greater bandwidth demands on it. Robertson said that the bandwidth problem could turn into a "black hole".

Werner responded by saying that the Legislature has the authority to set a bandwidth limit on the system to control costs. She added that she expected bandwidth costs to come down as the market grows.

Robertson said that she thought that the state paid for the initial connection costs, but after that, the schools and libraries were responsible for the operating costs. Kelley clarified for the committee that the state appropriation was to hire the bandwidth for the system, but the state doesn't own the infrastructure.

Other committee members said they were unsatisfied with the amount of services provided by the Office of Technology. Sen. Leonard Price (DFL-Woodbury) said that the statute that created the Office of Technology required more from the Office of Technology than just the master plan. Price said that what the office presented to the committee was "far, far short." He added, "We don't even have a sketch on a napkin."

Price said that the duties of the office include facilitating discussion between state agencies on how to accomplish what the Legislature intended. He said the state has to stop dreaming about what's possible and just look at proposals. Price said that when a proposal is under consideration, the Office of Technology can evaluate the proposal, and advise the

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Legislature about funding it. Criticizing the lack of direction from the office, Price said that if the Ad Hoc Information Technology Committee doesn't get a better roadmap from the Office of Technology, then the state "should find another soldier to do the work."

Pogemiller said that October 1998 was way too late for the master plan. He said that he was "all for collaboration," but cautioned that the office should not talk to too many stakeholders. Pogemiller said the office should develop the master plan sooner than that and asked Hanson for an earlier plan completion date. Hanson replied that the intervening time could be cut in half.

Kiscaden said that the committee doesn't always have a good understanding of the technological aspects of the decisions they need to make, and it is worthwhile for the office to keep the Legislature informed. Kiscaden also suggested that the office disconnect the different functions of developing a long range strategy and advising the Legislature on policy decisions that need to be made now. Kiscaden added that as the technology changes, the state will have to continually invest in IT systems. She said that the various budget divisions of the Legislature have to make appropriations decisions for technology acquisitions by the various state agencies, and that the Legislature needs a better understanding of the technology before making those decisions.

Pogemiller said that the Office of Technology should inform the Legislature what kinds of policy decisions to make. He said that what the Legislature needs is advice on the linkages between the various IT systems. Hanson agreed, saying that one role of the office is to advise the Legislature on policy decisions.

Kelley said that different members of the committee have different informational needs. He said that one goal of the committee is to break down the barriers between the K-12 and higher education information systems, and the committee needs advice from the Office of Technology on how to accomplish that goal. Kelley said he wants the committee to explore how different functions can be shared on the same systems.

Sen. David Knutson (R-Burnsville) said that the Ad Hoc Information Technology Committee shouldn't spend its time reviewing the projects of other

policy committees. Instead he said, the committee should focus on the linkages. The committee agreed to meet a few more times before the Legislature adjourns to allow members to keep abreast of the Office of Technology's progress on the IT master plan.

Rules and Administration

Children's endowment debated

Members of the Rules and Administration Committee met Weds., Mar. 11, to process several bills proposing constitutional amendments. The committee, chaired by Sen. Roger D. Moe (DFL-Erskine), also discussed, but took no action on, a proposal to alter the distribution of funds from the environmental trust fund and the permanent school trust fund. S.F. 1587, authored by Sen. Steven Morse (DFL-Dakota), specifies that distributions from the funds be up to 5 1/2 percent per year. According to Morse, using a percentage distribution amount allows trustees of the funds to shift their objective to maximizing the long-term total return of the funds. Morse said that he wanted members to hear the proposal, even though he was not asking the panel to act on the bill.

The bulk of the hearing was devoted to discussion of a bill proposing an amendment to the constitution to establish a children's endowment fund. The bill, S.F. 2775, authored by Sen. John Hottinger (DFL-Mankato), provides that earnings from the fund are to be appropriated for projects and programs designed to enhance children's physical, emotional, and intellectual development through the age of six years. Hottinger said that there is a growing body of evidence that the earliest years are the key to a child's healthy development. Without proper stimulation, a young child's development will be significantly diminished, he said. Hottinger said the endowment fund would provide funding for research into brain development of young children, the promotion and distribution of educational information to parents and communities so that they can make informed choices for children's development, develop and improve efficiency of family and community-based activities for young children, supplemental funding for projects with demonstrated successful outcomes and activities that support parenting education and

early childhood learning services.

Discussion on the bill centered on the question of the best use of state dollars. Committee members all said that the goals of the fund, providing for the state's youngest children, were laudable. However, several members said that an endowment fund ties up the principle while yielding relatively few dollars in the near term. Sen. Keith Langseth (DFL-Glyndon) said, "I question the wisdom of putting away \$500 million to get 1/3 of 1 percent over the next few years for programs for young children." He indicated that direct appropriations might be a sounder route to funding programs. Hottinger countered that though there is a surplus now, the good times probably won't last and it is necessary to have a permanent source of funding for children's programs. "We simply haven't made the investments in our youngest children," he said.

Discussion also focused on a portion of the bill outlining the types of programs eligible for funding from the endowment. Sen. Linda Berglin (DFL-Mpls.) offered an amendment narrowing the list and specifying that funding for projects that have demonstrated successful outcomes in improving and enhancing the development of young children be targeted to young children at greatest risk of not developing average intelligence. The amendment was adopted.

Members also adopted an amendment providing a mechanism for distributing funds from the endowment fund similar to that contained in the Morse bill heard earlier. An amendment, offered by Sen. Lawrence Pogemiller (DFL-Mpls.) and adopted by the committee, outlines a proposal for developing a proposal for governance of the endowment.

Finally, members also adopted an amendment, offered by Sen. Pat Piper (DFL-Austin), providing a \$50 million appropriation from the general fund for the children's endowment fund. The bill was approved and re-referred to the Education Finance Committee.

In other action, members also advanced a bill proposing a constitutional amendment to abolish the Office of State Treasurer. The bill, S.F. 161, authored by Sen. Deanna Wiener (DFL-Eagan), puts the question of abolishing the office on the ballot for the 1998 election. The bill specifies that if the ballot question is successful, the Office of State Treasurer is

to be abolished Jan. 1, 2001. Sen. Allan Spear (DFL-Mpls.) offered an amendment to extend the date until Jan. 1, 2003. Spear said, "It is unfair to make someone run a state-wide campaign, with all the time and expense involved, only to serve a partial term." The amendment was adopted. The committee then approved the measure and advanced it to the Senate floor.

Members also acted on a report from the Bill Referral Subcommittee. The report recommended that S.F. 3109, the feedlot bill, authored by Sen. Dallas Sams (DFL-Staples), be amended and sent to the Senate floor. The unusual recommendation for an amendment was the result of an agreement worked out by interested parties over a section of the bill dealing with the transporting of animals. The amendment was adopted and the bill sent to the floor.

State Government Finance

Trust fund bill reported

The State Government Finance Committee, chaired by Sen. Richard Cohen (DFL-St. Paul), met Thurs., Mar. 5, in order for members to hear testimony and take action on one bill.

H.F. 113, carried by Sen. Steven Morse (DFL-Dakota), proposes a constitutional amendment to extend the capture of 40 percent of the proceeds from the Minnesota Lottery to be used for the Environmental and Natural Resources Trust Fund. Morse said the amendment must be approved by a majority of those citizens voting in the November 1998 general election.

Morse said the bill amends the Minnesota Constitution to extend until the year 2050 the period during which at least 40 percent of the net proceeds from the state lottery must be credited to the Environmental and Natural Resources Trust Fund. He added that the investment proceeds from the fund are used to protect the environment and for conservation, preservation, and enhancement of the state's air, water, land, wildlife, and other natural resources.

Morse said the Environment and Natural Resources Trust Fund was established as part of the state's constitution in 1988. In 1990, Morse said, 40 percent of the Minnesota Lottery's net proceeds were constitutionally dedicated by the voters to the trust fund until the

year 2000. He said the fund is invested to generate a permanent source of revenue for environment and natural resource protection and restoration activities to benefit future generations.

Cohen asked why the need for the bill this year if the current lottery proceeds capture does not expire until the year 2000. Morse responded that citizens need to vote on the constitutional amendment this year in order to assure that there will not be an interruption in lottery proceeds going into the fund. "The fund gets seven cents out of each dollar spent on the lottery," Morse said. "If we wait until 2000, the use of the funds will be disrupted causing a six month loss of revenue for Minnesota's environment and natural resources," he said.

Cohen asked what the rationale is behind extending the fund's capture of resources until 2050. Morse said that there are two main reasons, first extending the fund until 2050 ensures that the next two generations will be able to continue building and benefiting from the fund, and second, in 2050 the fund is expected to reach \$1 billion in 1998 dollars, which was the dollar figure goal attached to the fund when it was first enacted. Morse added that currently the trust fund totals \$200 million and increases by about \$25 million each year.

Morse said the Environmental and Natural Resources Trust Fund has appropriated \$83 million for projects around the state, provided for the acquisition of 9,069 acres of wildlife habitat, and acquired 270 miles of trails for state and metro parks. He also said that 320,000 students and teachers have been directly impacted by the fund's environmental education programs, and that all 39 major watersheds in Minnesota have benefited pollution prevention, research, and restoration projects supported by the fund.

Nancy Gibson, vice chair of the Environmental Trust Fund Coalition, which supports the bill, said the trust fund is where people around the state come when they have innovative ideas about how to improve the environment. She added that the coalition is a group of more than 150 sportsmen, environment, agriculture, outdoor recreation, and environmental education organizations, businesses, and concerned individuals promoting passage of the constitutional amendment to extend the trust fund.

Morse presented the results of a survey relating to the public's view of the trust fund and their thoughts about extending the capture of the lottery proceeds.

Morse said 86 percent of Minnesotans strongly support investing lottery profits in the Environment and Natural Resources Trust Fund. He said the public also strongly supports permanently dedicating lottery profits to the trust fund.

Morse said the survey concluded that there are two main reasons people in the state support increased funding for the environment. First 97 percent agree that Minnesota's natural areas and lakes are an important part of our heritage and should be preserved for future generations. Second 87 percent said Minnesota's lakes, farm lands, and other open spaces will soon be lost forever if not protected now.

Cohen asked Morse what happens to the trust fund if the state decides to discontinue the state lottery. Morse said he thinks the fragility of funding state government with revenue like lottery proceeds is a wise use of resources because by allowing the fund to grow and only spending the proceeds from investments, the fund will survive after the lottery is gone. "Many people think the lottery has a limited life so it makes sense to put the money into a trust fund where it can work for the environment," Morse said.

Sen. Dennis Frederickson (R-New Ulm) said lottery proceeds should be used to fund things like trust funds, as opposed to education, because it is temporary in nature and the state should not rely on it. H.F. 113 was recommended to pass and re-referred to the Committee on Rules and Administration.

Conference Committees

Gov Ops differences outlined

The conference committee for S.F. 3354, the state government supplemental budget bill held its first hearing Tues., Mar. 10. The conferees outlined funding differences between the Senate and House versions of the omnibus governmental operations bill. Sen. Leonard Price (DFL-Woodbury), who chaired the meeting, said it was the first step in a process to find compromise between the two positions.

Conferees were provided with a spreadsheet detailing funding provisions for both bills so members could have an

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overview of both bodies' provisions. The conference committee also compared language provisions in each of the bills. Price said the Senate bill totals \$31.6 million and the House version totals \$33.9 million in expenditures.

Price said the House has appropriated \$25,000 to the Legislative Coordinating Commission for meetings with the Canadian Parliament and certain provincial parliaments. Rep. Tom Rukavina (DFL-Virginia), the chief House conferee, said the money is intended to open a dialog with neighboring governments about issues of mutual concern. Price said the Senate version does not contain the provision.

Rukavina said the two bodies differ slightly on the appropriations provided to the Office of Attorney General. He said the House version contains \$24 million for the attorney general while the Senate version contains \$541,000 more, raising the total to \$24.5 million. Price said one difference is that the Senate funded \$100,000 for telemarketing fraud. Rep. Mike Osskopp (R-Lake City) said the \$24 million in house funding was a round figure that emerged as a compromise between members.

Price said both bodies appropriated \$100,000 for the Secretary of State to modify the voter registration system. He added that the Minnesota State Retirement System received a \$700,000 appropriation from both houses.

Price said Minnesota Planning is slated to receive \$1.28 million under Senate provisions and the House funding totals \$1.52 million. Rukavina said the House version includes \$240,000 for regional development commissions. Price added that both versions include \$1.2 million for the feedlot generic environmental impact study (GEIS) and \$80,000 for the census 2000 promotion.

A major area of difference between the House and Senate version occurs in the appropriation for the Dept. of Administration. Price said the Senate bill totals \$3.58 million and provides \$3.56 million for the year 2000 project and \$20,000 for the governor's portrait. Rukavina said the House bill, in comparison funds \$3.85 million for the year 2000 project, \$150,000 for the Minnesota Alliance with Youth, \$1 million for the Minneapolis Community Development Agency loan payment program, and \$315,000 for a public television tower. Rukavina said

the House version totals \$5.47 million for the biennium.

Price said the Senate bill contains \$10,000 for the Dept. of Health and \$10,000 for the Dept. of Commerce for an occupational regulatory coordinating council. He added that the House bill does not contain the provisions.

Rukavina said the House bill includes \$536,000 in funding for the Minnesota Amateur Sports Commission for an ice arena grant to the city of Gilbert, the Minnesota Olympic development program, and improvements to the Mt. Itasca ski area. Rukavina said the bill includes \$125,000 in funding for the Dept. of Military Affairs for the Starbase Minnesota program. He said the House bill also contains a \$150,000 expenditure to the Capitol Area Architectural Planning Board for the women's suffrage memorial garden, and \$1 million for the Dept. of Employee Relations. Price said the Senate does not include this funding provisions.

Price said both the House and Senate versions of the bill include \$731,000 to the Dept. of Revenue for the Minnesota collection enterprise customer base experiment. Both chief conferees agreed that this funding level may be less than what is needed for the project.

General fund appropriations to the Dept. of Finance of \$307,000 are equal under provisions passed by both bodies. Price said additional money of equal amounts are slated for the Dept. of Finance from the natural resources fund, the game and fish fund, the trunk highway fund and the special reserve fund. He added that the additional money totals \$128,000.

Price said the Senate version contains a \$10,000 appropriation for the Public Employees Retirement Association to provide death benefits to the family of the St. Paul housing inspector murdered last Christmas Eve. The House bill does not contain the provision. Price added that both bills include \$700,000 to the Minnesota State Retirement system for retirement contribution transfers.

Price pointed out the difference in funding to the Office of the State Auditor for tax increment financing enforcement. Price said the Senate bill appropriates the full \$408,000 requested for the program. Rukavina said the House bill contains \$272,000 for the same program.

Rukavina said the state Lottery Prize fund receives \$750,000 in the House version for the house turnabout program, which the Senate has not funded. Price said the Senate provision is included in another bill.

At the meeting, the Senate and House conferees approved several language provisions that are the same in both bills.

Higher education talks begin

The Higher Education Budget Division Conference Committee met for the first time Tues., Mar. 10, to begin ironing out differences in the House and Senate higher education omnibus supplemental appropriations bills.

Committee Co-chair LeRoy Stumpf (DFL-Thief River Falls) said the purpose of the meeting was to present the funding and language similarities and differences between the bills.

Senate and House staff presented overviews of the appropriations and language in the bills, which differ in total amounts appropriated for FY 99 by \$25.5 million. The House bill allocates a total of \$89 million for FY 99, and \$121.3 million in FY 00-01. The Senate bill allocates a total of \$63.5 million for FY 99, and \$85.7 million for FY 00-01. The House and Senate bills allocate \$5.5 million more and \$20 million less, respectively, than the governor's recommendations.

Monies in both bills are largely divided among the Higher Education Services Office (HESO), the U of M and the MnSCU system.

Funding differences between the bills for HESO allocations in FY 99 are numerous. The Senate bill allocates \$13.5 million for HESO to reduce students' aid share of education from 50 percent to 47 percent, whereas the House bill allocates \$13.5 million for a Pell grant redistribution and \$3 million to increase the tuition aid maximum to \$8,550 for private four-year institutions in the second year. The House bill also allocates \$1.5 million for an increase in work-study appropriations, and \$7 million for a higher education tax credit of up to \$500. The credit is to be implemented in tandem with the newly established \$1,500 federal income tax credit.

For MnSCU appropriations, the Senate allocates a total of \$31.5 million for FY 99. Those funds would be used in a number of areas, including faculty and

staff internships and development, and increasing the number of graduates in critical areas in partnership with business and industry. The appropriation includes money for internships that are required but not subsidized by business, or that help hard-to-place individuals or provide internships for high-demand occupations. The funds are also earmarked for campus and system-wide initiatives, such as a base adjustment for equipment, and student/faculty/staff training in instructional technology.

Language in the Senate's bill directs MnSCU to establish benchmarks on the quality and quantity of instructional equipment. The Senate version also directs MnSCU to adopt policies to ensure campus buildings are maintained and set aside adequate funding for this purpose. The bill directs the State Council on Vocational Education to continue to work on a number of initiatives for another year. Some of the initiatives include securing funding for secondary vocational education, developing procedures to measure the effectiveness of vocational education, developing vocational programs, establish recommended ratios of pupils and guidance counselors, and recommending roles for the organizations involved in school-to-work programs.

The Senate bill also requires MnSCU to spend one percent more in FY 99 than in FY 98 on direct instruction, and directs the council to study barriers to youth in the workforce, employers' liability costs in work-based education, and methods to increase employer participation in experienced-based instruction.

House provisions for MnSCU appropriate \$39 million in FY 99, for library acquisitions, various business and industry initiatives, redesigning college of education teacher preparation programs, and funding equalization across campuses. Provisions also require MnSCU to make sure that any equipment purchases are year 2000 compliant, with coding that reads more than two digits.

The Senate's U of M appropriations total \$32 million for FY 99. The Senate bill includes funding for various academic initiatives, including the molecular and cellular biology center, the design of the digital computation lab, agricultural outreach and research, renewable natural resource-based industries, and a base adjustment of equipment funds. The bill

funds faculty and staff compensation initiatives and the North Star Research Coalition, a partnership with private industry to leverage the U of M's research capabilities into economic development projects. The bill also requires the U of M to ensure campus buildings are maintained and adequate funding is set aside for the maintenance.

The House's U of M appropriations total \$38.5 million for FY 99. Like the Senate bill, the House bill appropriates funds for digital technology, molecular and cellular biology, agricultural research and outreach, faculty and staff compensation, and design. The House bill also appropriates funds for new media initiatives, classroom improvements, and faculty research facilities and equipment. The bill provides funds for the U of M to expand the law clinic program, and to expand the Project Inform to provide outreach and information to K-12 students and families. The House bill also requires the U of M to ensure that any equipment purchases are year 2000 compliant, and conditions all U of M appropriations upon the regents adopting a resolution affecting sexual discrimination policies. The resolution is to state that the extension service will not require 4H to refrain from discrimination on the basis of sexual orientation.

Sen. Sam Solon (DFL-Duluth) said that it seemed as if the resolution would be a violation of federal law. House Co-chair Gene Pelowski (DFL-Winona) said that the language was the result of an amendment to the bill added on the floor of the House. Pelowski said he did not support the amendment, but wanted to wait until he received supporting documentation to explain it to the committee.

Other provisions in the Senate bill extend the moratorium prohibiting private trade schools from changing the form of state regulation to which they are subjected, and state that appropriations for the Learning Network and Edvest programs do not cancel. The bill also allows MnNET appropriations to be recurring, and National Service Scholars Program appropriations to be available until participants are no longer eligible for benefits. Financial aid provisions in the Senate bill change the definition of half-time from 8 to 6 credits, and direct HESO, in cooperation with the U of M and MnSCU, to examine methods to

make child care, work study, and other aid more accessible to students.

Various provisions in the House bill direct the U of M and MnSCU to evaluate the need for more practitioner-oriented doctoral programs, and add the Nellie Stone Johnson Scholarship program to the list of authorized charitable deductions that MnSCU employees may take. The House version also changes the election process for the Board of Regents and the selection process for the Regent Candidate Advisory Council. The House version also repeals congressional representation on the Board of Regents and changes state policy to encourage more students to continue their education beyond 12th grade.

Transportation bills compared

The Transportation Conference Committee reviewed the House and Senate versions of the transportation supplemental appropriations bill at a meeting Weds., Mar. 11. The House version appropriates over \$7 million more than the Senate version for transportation spending. While the Senate version appropriates \$40.961 million to the Department of Transportation (MnDOT) and \$4.191 million to the Department of Public Safety (DPS), the House appropriates \$46.861 million to MnDOT and \$5.830 million to DPS.

Both versions appropriate \$294,000 to the State Patrol to increase Capitol security staff in the new Revenue Building. However, the House version includes a provision which allows the State Patrol to apply some of the appropriation toward increasing the flight time of its patrol helicopters. The Senate version does not include that provision. Rep. Bernie Lieder (DFL-Crookston) said there had been a bill in the House, but not in the Senate, appropriating \$199,000 for the helicopter patrol. Lieder said the House committee decided to leave it up to the State Patrol how to spend the appropriation. Maj. Gene Halverson said that using some of the Capitol security appropriation for the helicopter patrol would put "a big hole" in Capitol security staffing. Captain Patrick Chase of Capitol Security said, "I could not fund what I feel comfortable with for security in the Revenue Building if I lost \$100,000." Halverson said, "If we get the \$294,000 I suspect we will not put the helicopter up because there needs to

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be security in this building.” Senators agreed that both Capitol security and the helicopter patrol are important priorities.

The House version’s appropriation to DPS includes \$4.557 million from the trunk highway fund to the State Patrol for 40 additional state troopers and support staff. The Senate version appropriates \$2.918 million for 25 more troopers and support staff. The House version also appropriates \$5 million more than the Senate version to MnDOT for state road construction, and \$900,000 more for design and construction engineering.

The second article of the House bill is not contained in the Senate version but most provisions in the House bill’s second article are included in S.F. 2664. The article sets out annual transportation spending goals and provides that at least 60 percent of trunk highway funds each year must be for construction and reconstruction of trunk highways. The article also includes provisions requiring MnDOT to submit a recommended plan each biennium of recommended general fund expenditures for state trunk highways and public transit.

The third article of both the House and Senate versions include a provision distributing five percent of the highway user trust fund to the county state-aid fund to be put into a flexible account. In the Senate version, the entire flexible account is for county and city turnbacks and for regular trunk highway projects. The House version adds that a portion of the flexible account must go to the metropolitan town road account. The House version establishes the metropolitan town road account in the county turnback account to provide funds to towns over 10,000 that have taken county turnback highways. Comparable provisions are included in S.F. 2109. The House version includes a provision regarding municipal state-aid mileage that the Senate version does not.

Senate conferees included Transportation Budget Division Chair Janet Johnson (DFL-North Branch), Transportation Committee Chair Sen. Carol Flynn (DFL-Mpls.), Sen. Paula Hanson (DFL-Ham Lake), Sen. Claire Robling (R-Prior Lake), and Sen. Mark Ourada (R-Buffalo). The House and Senate conferees will continue discussion of the Transportation Supplemental Appropriations bill at their next meeting.

Friday, March 6

Numerous bills passed

Members of the Senate devoted the first portion of the Fri., Mar. 6, floor session to granting final passage to more than 60 bills on the Senate Calendar. One measure, scheduled for final passage, ran into considerable difficulty. The bill, S.F. 2926, authored by Sen. Ember Junge (DFL-New Hope), allows law enforcement officials to issue citations up to four hours after a driver violates laws relating to stopping for pedestrians in crosswalks. Opponents argued that the bill was too broad and that the law enforcement officials could be sent after someone because an individual simply had a grudge against the person. Junge argued that current law is difficult to enforce and that the bill is simply a tool to aid in enforcement. The bill failed to gain final passage on a 24-42 roll call vote. Junge subsequently moved for reconsideration of the measure. The motion was approved. Junge then moved that the bill be placed back on General Orders for purposes of amendment. That motion was also approved.

The following measures were granted final passage during the course of the Friday session. H.F. 3040, authored by Sen. Becky Lourey (DFL-Kerrick), modifies requirements for documentation of long-term care facility payrolls. S.F. 2445, carried by Sen. Steven Novak (DFL-New Brighton), regulates the excavation notice system, authorizes the commissioner of public safety to appoint a pipeline safety committee and increases civil penalties. S.F. 2097, sponsored by Sen. Randy Kelly (DFL-St. Paul), includes witness tampering within the list of crimes for which a mandatory minimum sentence applies and increases the penalties for crimes committed for the benefit of a gang. S.F. 2378, authored by Sen. Ember Junge (DFL-New Hope), defines the terms “professional” and “professional services” as they relate to professional corporations and professional firms. S.F. 2581, sponsored by Sen. Sheila Kiscaden (R-Rochester), permits the appointment of the Olmsted County auditor/treasurer.

H.F. 2895, carried by Sen. Sam Solon (DFL-Duluth), modifies the permitted investments of township mutual insurance companies and regulates farm risks. S.F. 2316, sponsored by Sen. Steve

Murphy (DFL-Red Wing), continues the uniform program for registration and permitting of intrastate carriers of hazardous materials, eliminates the requirement of criminal background checks and imposes a fee. S.F. 2334, authored by Sen. Janet Johnson (DFL-North Branch), requires snowmobiles registered in another jurisdiction, which use a state or grant-in-aid trail, to have a state trail sticker, authorizes agents and subagents for the sale of state trail stickers and imposes procedures for the sale of the stickers. H.F. 3332, carried by Sen. Jane Ranum (DFL-Mpls.), modifies conditions for open adoption agreements and makes technical changes to the laws relating to the putative father registry. S.F. 2684, also sponsored by Ranum, provides criminal penalties for whoever violates an order for protection/minor respondent, prohibits violators of those orders from possessing a firearms and clarifies the service of notice under the harassment restraining order law.

S.F. 2382, carried by Kiscaden, changes the deadline for commissioner of human rights determination of complex cases and eliminates a notice requirement. S.F. 3011, sponsored by Sen. Bob Lessard (DFL-Int’l. Falls), prohibits the hunting of white bears. H.F. 2612, sponsored by Sen. Janet Johnson, designates the state trooper Timothy J. Bowe Memorial Highway. S.F. 2256, carried by Sen. John Marty (DFL-Roseville), modifies elections provisions that have been ruled unconstitutional. S.F. 1814, authored by Sen. Linda Scheid (DFL-Brooklyn Park), modifies provisions relating to the Board of Architecture, Engineering, Land Surveying, Landscape Architecture, Geoscience and Interior Design. S.F. 3016, sponsored by Sen. Douglas Johnson (DFL-Tower), authorizes the acceptance of dump materials at certain qualified landfills. S.F. 2587, carried by Sen. Randy Kelly, expands the enhancement penalties for crimes committed for the benefit of a gang to include crimes that are motivated by involvement with a gang. H.F. 3250, carried by Sen. Sandra Pappas (DFL-St. Paul), is a resolution memorializing the President and Congress of the United States to enact the Aircraft Repair Station Safety Act of 1997.

S.F. 2420, also sponsored by Sen. Randy Kelly, directs the commissioner of public safety to study the use of blue

lights on emergency vehicles and road maintenance vehicles. S.F. 3032, authored by Sen Deanna Wiener (DFL-Eagan), regulates investments of certain insurers. S.F. 1378, sponsored by Sen. Don Betzold (DFL-Fridley), is the omnibus data privacy bill. The bill provides for data privacy for certain audit information, classifies certain law enforcement data, provides for the classification of and access to government data, provides that certain documents may be classified as nonpublic data until negotiations with vendors and best and final offers are received and makes technical changes to tax disclosure provisions. S.F. 2317, authored by Sen. Linda Higgins (DFL-Mpls.), clarifies responsibility for compensating innocent third parties whose property is damaged by law enforcement officers. H.F. 2642, also carried by Higgins, exempts certain overpaid benefits from the state's standard collection procedure. S.F. 1654, sponsored by Sen. David Ten Eyck (DFL-East Gull Lake), provides for fee changes for filing and recording certain documents relating to real property.

S.F. 2274, Sponsored by Sen. Sam Solon (DFL-Duluth), regulates beer brewers and wholesalers, provides for the obligations of successors, allows the commissioner of public safety to issue on-sale licenses to Giants Ridge and Ironworld Discovery Center, modifies restrictions for temporary on-sale licenses, authorizes issuance of temporary on-sale license to state universities, regulates malt liquor sampling and authorizes certain cities to issue additional on-sale licenses. S.F. 2372, carried by Lourey, requires hepatitis B immunizations for children. S.F. 3090, carried by Ten Eyck, provides for petitions for the dissolution of town subordinate service districts. H.F. 2809, carried by Wiener, requires copies of audited financial statements to be provided to members of the city council and the mayor, or to the town board members, and presented at a regularly scheduled meeting of the city's or town's governing body. S.F. 2725, authored by Betzold, authorizes additional methods for recorder and registrar functions. H.F. 2736, carried by Lourey, authorizes gifts to certain food distribution organizations.

S.F. 2346, authored by Sen. Carol Flynn (DFL-Mpls.), adds the position of executive director of the Minneapolis

Police Civilian Review Board to the list of unclassified employees, establishes and provides the powers and duties of the midtown planning and coordination board and removes an age ceiling for new firefighters in Minneapolis. H.F. 2601, carried by Wiener, regulates lien or claim waivers and subcontractor payments in building and construction contracts and modifies the redemption period for property sold at a mechanic's lien foreclosure sale. S.F. 2595, authored by Sen. Leo Foley (DFL-Anoka), creates a felony penalty for criminal contempts involving failure to obey certain subpoenas and for offenders who fail to appear for criminal proceedings. S.F. 2207, sponsored by Sen. John Hottinger (DFL-Mankato), exempts certain prescriptions from bearing a federal drug enforcement administration registration number and restricts the use and the release of the federal drug enforcement administration registration number. S.F. 2068, sponsored by Sen. Steve Kelley (DFL-Hopkins), provides for the reliability of electronic messages, provides for certification authorities, provides licensing and enforcement powers, defines terms and provides for rulemaking. S.F. 2861, authored by Hottinger, provides for the use of automatic external defibrillators.

H.F. 668, sponsored by Kiscaden, enacts the industrial Hygienist and Safety Professional Title Protection Act and provides title protection to the professions of industrial hygiene and safety. H.F. 2846, carried by Sen. Douglas Johnson, provides for automobile insurance premium reduction for completion of accident prevention course. S.F. 2945, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), enters into the interstate emergency management assistance compact in order to share resources in the event of natural disasters. S.F. 2498, sponsored by Sen. Randy Kelly, requires sex offenders moving into Minnesota to register within five days, authorizes adult and juvenile offender registration information to be maintained together and expands prosecutorial jurisdiction. S.F. 2269, authored by Stumpf, clarifies provisions relating to hearings of the Board of Water and Soil Resources, increases the level of exempted bids for watershed districts, modifies the public review period for wetland replacement plans, provides for notice of local wetland plan development

to the commissioner of agriculture and requires approval of certain wetland replacements.

S.F. 2489, sponsored by Solon, regulates residential mortgage loans and establishes table funding requirements. S.F. 2730, authored by Sen. Martha Robertson (R-Minnetonka), makes technical corrections relating to information systems and technology, data practices and appropriations within the Dept. of Administration, authorizes the commissioner to apply for and receive grants, designates the department as the responsible agency for certain federal programs and clarifies the department's administration authority over building operations and maintenance. H.F. 2616, carried by Sen. James Metzen (DFL-South St. Paul), provides for city administration of the dangerous dog registration system. S.F. 1258, carried by Scheid, regulates residual liability insurance on nonowned vehicles. S.F. 2447, sponsored by Sen. Dallas Sams (DFL-Staples), modifies provisions relating to speech-language pathologists, unlicensed mental health practitioners, alcohol and drug counselors, physical therapists, and hearing instrument dispensers and authorizes exempt rulemaking. S.F. 2416, carried by Sen. Dennis Frederickson (R-New Ulm), modifies the debt collection act.

H.F. 3071, carried by Sen. Mark Ourada (R-Buffalo), updates petroleum specifications. S.F. 2751, authored by Sen. Ellen Anderson (DFL-St. Paul), requires employers to make accommodation for nursing mothers. S.F. 3036, sponsored by Betzold, regulates withdrawals by limited partners and changes state law to provide favorable federal estate tax valuation treatment in certain circumstances. S.F. 2869, carried by Betzold, modifies the required contents of petitions seeking judicial expungement orders. S.F. 2758, authored by Junge, authorizes access to certain juvenile records and provides for the state court administrator to prepare annual reports of delinquency dispositions. S.F. 2493, also carried by Junge, limits liability of financial institutions providing data for the criminal alert network.

Watercraft bill considered

Members considered several bills on General Orders Fri., Mar. 6, including a controversial bill that increases the

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distance requirements and restricts the hours for personal watercraft (PWC) usage.

S.F. 1169, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), prohibits the operation of PWCs from the earlier of 8 p.m. or one hour before sunset to 9 a.m., and increases from 100 to 150 feet the distance from shore PWCs must be to travel faster than slow/no-wake speed. The bill also increases the unsupervised age restriction for PWCs from 18 to 21, prohibits riding PWCs without a rules decal and exempts emergency and enforcement watercraft from the hours and distance restrictions.

"There's been a lot of discussion about this particular legislation," said Stumpf. "This bill helps address the concerns over hours by increasing the hours personal watercraft are not allowed to be used," said Stumpf. He noted that the issues relating to PWCs are similar to the issues faced when snowmobiles were introduced. Some of these divisive issues include the noise of the craft, where people ride them, and the lack of training programs available, he said. Introducing letters from PWC manufacturers Polaris, Arctic Cat, and Bombardier, Stumpf said that the industry has been aggressively trying to take care of the noise problem. "As the information before you points out, the new muffler systems have reduced the noise level and the vibration level by over 50 percent," said Stumpf.

Continuing the comparisons between snowmobile and PWC use, Stumpf said that attempts to control snowmobile noise through legislation have historically not worked very well, but that legislation can help with PWC safety, training, and law enforcement. "We have a number of laws and regulations in place, but we are falling short in the area of enforcement," he said.

"The bill says you have to have a personal watercraft permit unless you have an adult over 21 riding with you," he said, "or you have a permit and are between the ages of 14 and 21."

Under the bill, said Stumpf, those people who rent out the personal watercraft have to sit down and go over the lake's rules and regulations with the person who's renting it, and that person has to sign off that he or she knows the rules and regulations and will abide by them. A record of the agreement is to be kept, so that a law enforcement person

can quickly check who has rented the craft.

He said that the PWC industry has a fairly significant impact on Minnesota's economy. "In terms of tax revenues, Arctic Cat alone has a \$21 million payroll and they employ 1700 people, and Polaris employs roughly 2000 people," said Stumpf. "But the economic impact isn't the reason I'm carrying this legislation," he continued. "I have an interest in the bill because I believe that there is a place for PWCs, just as there is a place for ATVs and snowmobiles. Minnesota is considered a recreation state. With this legislation we can move forward in a reasonable method, and allow the recreational use of these personal watercraft," he said.

Stumpf offered an amendment exempting PWC riders from the distance restrictions if they are moving people on waterskis or a kneeboard. "The amendment is strictly for safety purposes," said Stumpf, "because if you're teaching a young swimmer how to waterski, you don't want them out in deep water." The amendment was adopted.

Debate over the bill centered over whether the government is responsible for legislating controls over PWC noise by restricting the hours of use.

"If you read through the bill summary, essentially what we are legislating is what I call courtesy issues," said Sen. Kenric Scheevel (R-Preston), "such as how near you should get to someone, or how close you should go near shore with no wake. We're talking about rules of common courtesy." Scheevel questioned whether the state should create legislation controlling common courtesy issues. "I don't think that's the proper role of state government," said Scheevel.

Sen. Jane Ranum (DFL-Mpls.) said the question to ask is how noise levels affect the quality of people's lives. "I know how wonderful it is to grow up with peace and quiet. But my residence and my quality of life are greatly adversely affected by airport noise," she said. "I think this personal watercraft issue is much broader than personal watercraft. I think it goes to the very issue of what the role of government is in looking at corporate decisions.

Scheevel described the issue as common courtesy. I think that as long as we have corporations that do not work with citizens and are only looking at the

bottom line, we're going to have to continue as lawmakers to come up with decisions that regulate corporate behavior. I think what Sen. Stumpf has tried to do here is to find a balance. I just ask my colleagues to make sure that in other noise areas we try to find the same balance or our quality of life will be destroyed," said Ranum.

Sen. Steven Morse (DFL-Dakota) asked what recommendations were made by the advisory panel which studied issues such as the hours restrictions.

Sen. Janet Johnson (DFL-North Branch), who was on the advisory panel, replied that the hours restrictions in the bill were the hours the panel recommended.

Stumpf said that the Environment and Natural Resources Committee had a lengthy discussion on the hours restrictions. One of the issues raised was the time difference between sunsets in Northern and Southern Minnesota. "Sunsets in my district are substantially later than in Southern Minnesota," he said. "The concern is that if you have 'whichever is earlier' as a guideline you're cutting off PWC use in Northern Minnesota," he said.

Sen. Jerry Janezich (DFL-Chisoml) introduced an amendment changing the hours restrictions back to one hour before sunset, removing 8 p.m. or whichever time is earlier as a guideline. "An hour before sunset is not a bad policy. It gives us the flexibility to go where we need to go," he said.

Morse said that the Janezich amendment is contrary to the advisory panel recommendations. He said he was prepared to restrict PWC use to the earlier of two hours before sunset or 7 p.m. "There's something almost sacred about an evening in the summertime sitting by a lake or river with a little peace and quiet," he said. "That's what this is supposed to be about, to preserve some of that Minnesota heritage so that you can enjoy listening to the loons, or doing some fishing," said Morse. "Currently the bill says 8 p.m. or one hour before sunset. This was a recommendation that came from the advisory panel that included industry representatives, who said this is something they could live with. I think it would be a real mistake to roll back what the advisory panel has recommended," he said.

Johnson also spoke against the amend-

ment. She said the members should stick with the hours in the bill and to the compromise that was reached. "This is very important issue, and if we don't address it this year there are folks who want to do more restrictive total bans," she said.

Sen. Linda Scheid (DFL-Brooklyn Park), speaking for the amendment, said that the Legislature is becoming too restrictive. "We're getting so elitist," said Scheid, "and we just need to be a little more tolerant."

The amendment was adopted on a 37-24 roll-call vote. Other amendments to the bill, adding personal flotation device requirements and pushing forward various effective dates, were not adopted.

Members granted preliminary passage to S.F. 1169, and to three other bills with little discussion. S.F. 2586, authored by Sen. Randy Kelly (DFL-St. Paul) makes a number of changes to sex offender statutes. The bill requires sex offender treatment facilities to provide certain information regarding sex offenders, clarifies which law enforcement agency may request end-of-confinement reviews, and adjusts the time for community notification requirements to be met.

Morse successfully offered an amendment to the bill, clarifying that both the offender and the law enforcement agency responsible for the offender's charge are to be notified of the end-of-confinement review. "The purpose of the amendment is to give the law enforcement agency the opportunity to provide any other information they may have to the committee while it is setting the classification of risk to the community," said Morse, noting that the practice usually occurs but is not required. "I would like to see it in statute to make sure that it does occur," said Morse.

Other bills granted preliminary passage with little discussion include S.F. 2262 and S.F. 2756, both authored by Sen. Steven Novak (DFL-New Brighton). S.F. 2262 regulates reinsurance intermediary-brokers and the investment of any funds held or collected by the brokers. S.F. 2756 provides penalties for violations of underground storage tank statutes and modifies provisions relating to antifreeze disposal in wastewater systems. Sen. Becky Lourey (DFL-Kerrick) offered an amendment changing various effective dates of the bill. The amendment was adopted.

Monday, March 9

Debit card protection advances

The floor session Mon., Mar. 9, was devoted to considering several bills on General Orders including one that limits liability for consumers who have their debit cards lost or stolen.

H.F. 2500, authored by Sen. Edward Oliver (R-Deephaven), limits consumer liability for lost or theft of a debit card to \$50. Oliver said the changes in liability brings debit cards in line with current credit card provisions. Oliver added that currently when a debit card is stolen or lost and not reported for a month the card holder is responsible for any costs charged on that card.

Sen. Sandra Pappas (DFL-St. Paul) offered an amendment to prohibit banks from charging automatic teller machine (ATM) fees when a consumer uses an ATM not owned by their financial institution. Oliver objected to the Pappas amendment on the grounds that it is not germane to the bill. He said the amendment goes to a different section of law and a different purpose. The chair ruled the amendment not germane.

Sen. Linda Runbeck (R-Circle Pines) offered an amendment providing immunity to employers in the state when they are providing job references. Sen. Don Betzold (DFL-Fridley) objected to the amendment as not germane to the original bill. The chair ruled the amendment is not germane.

Sen. Linda Higgins (DFL-Mpls.) proposed an amendment to the Oliver bill requiring banks to disclose all service fees to customers, limit service fees in certain cases, and require banks to charge the way they debit checks from an individual's checking account. Oliver objected to the amendment saying again that it was not germane to the original bill. The chair ruled the amendment is not germane to the bill. H.F. 2500 was then recommended for final passage.

H.F. 2708, authored by Sen. Dennis Frederickson (R-New Ulm), rewrites the agricultural marketing and bargaining act based on recommendations from the Agricultural Marketing and Bargaining Task Force created in 1997. Frederickson said the changes provide a new procedure for negotiating disputes between producers and handlers of agricultural products in Minnesota. He added that the bill provides for mediation and arbitration

when disputes cannot be resolved through two informal exchange meetings. The bill was recommended for final passage.

S.F. 2161, sponsored by Sen. Jane Krentz (DFL-May Township), increases the statutory maximum for a drive-by shooting at an occupied motor vehicle. Krentz said the current punishment for the crime that does not reflect the serious nature of the offence. The bill was recommended for final passage.

H.F. 2489, also authored by Krentz, authorizes the extension of the gateway trail in Washington and Ramsey counties. Krentz said the bill extends the trail at both ends and allows it to begin at Capitol. The bill was recommended for final passage.

S.F. 2268, carried by Jim Vickerman (DFL-Tracy), changes the bonding process of subagents wishing to sell hunting licenses. Vickerman said the current system is a headache for subagents and minimizes their ability to make profits on selling licenses. The bill was recommended for final passage.

S.F. 2276, authored by Sen. David Knutson (R-Burnsville), is a child support bill that brings child support enforcement provisions, enacted as part of the welfare reform act of 1997, into conformity with federal law.

An amendment, offered by Sen. Richard Cohen (DFL-St. Paul), provides for procedures to deal with the issue of child support when an agreement of joint custody exists. Cohen said if a child's parents have a physical custody agreement, the amendment provides for child support to be handled in the same manner. The amendment was adopted.

Cohen also offered another amendment to specify that if two or more child support orders have been issued in the same case the most recent order issued is considered controlling for the purpose of the administrative law process. The amendment was adopted.

Sen. Steve Kelley (DFL-Hopkins) offered an amendment dealing with visitation rights of minor children for grandparents. Sen. Carol Flynn (DFL-Mpls.), argued that the Kelley amendment was not germane to the bill because it deals with a significantly different purpose. The chair ruled the amendment not germane. The bill was recommended for final passage.

H.F. 2708, carried by Sen. Dennis

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Frederickson (R-New Ulm), provides that agricultural producer data submitted to the commissioner of agriculture for purposes of accreditation is private or nonpublic data. In addition, the measure specifies that information shared in the mediation process or offers to settle are considered confidential and may not be used against either party in any other proceeding, court action, or dispute resolution process unless otherwise discoverable from outside the mediation process. The bill was recommended for final passage.

S.F. 2911, carried by Vickerman, is the omnibus gambling bill. Vickerman said the bill authorizes organizations to make expenditures and contributions through electronic fund transfers, allows local units of government to receive up to 10 percent of the net profits from gambling operations and adds public purposes as an additional use to which the funds may be expended. He said the bill also allows charitable organizations to use gambling proceeds for improvement of a structure to comply with the Americans with Disabilities Act (ADA).

Sen. Charles Berg (IND-Chokio) offered an amendment to change Indian gaming compact laws to provide for an expiration date of Dec. 31, 1999 for current compacts and to limit all future compacts to a length of no more than five years. Berg said Minnesota is the only state to not require expiration dates on gaming compacts. Betzold objected to the amendment on the grounds that it was not germane to the bill. The chair ruled the amendment not germane. Sen. John Marty (DFL-Roseville) proposed an amendment that prohibits the state lottery from advertising. The amendment was also rule not germane by the chair. The bill was recommended for final passage.

S.F. 2718, sponsored by Kelley, changes the state's Telephone Assistance Plan to address recent changes in a federal telephone assistance program known as the Lifeline Program. Kelley said to be eligible for the state's program, residents must have an income at or below 150 percent of the poverty line. He added that the program is designed to allow citizens access to telephone services in Minnesota. Kelley said that everyone benefits from the telephone system and increased access for people means that more value is added to the whole system.

He added that program changes extends eligibility for the program to approximately 50,000 families.

Sen. Martha Robertson (R-Minnetonka) proposed an amendment deleting a section of the bill that imposes fees on telephone users to fund the program expansion. Robertson argued that the state should not even think about raising taxes in a year where there is a budget surplus. The amendment was adopted.

Sen. Sheila Kiscaden (R-Rochester) proposed an amendment deleting the section of the bill that provides for automatic enrollment of eligible citizens. Kiscaden said some people don't like to take government handouts and they should not be forced into it. Kelley said that Kiscaden is making this into an intrusion into people's personal lives when it is just an effort to eliminate a hoop people have to jump through. Kelly added that if an eligible person does not want to be in the program they have the option of notifying the Public Service Commission who will notify the telephone company. The amendment was defeated. The bill was approved for final passage.

H.F. 2222, authored by Sen. Dean Johnson (R-Willmar), allows individuals to petition a town board to construct an access road to a parcel of lakefront property smaller than five acres if a access road to the property does not exist. The bill was recommended for final passage.

S.F. 2846, carried by Sen. Randy Kelly (DFL-St. Paul), delays the deadline for listing carisoprodol as a schedule IV controlled substance. Kelly said the reason for the delay is that the federal government has not finished its study on the drug. He added that under the bill, the deadline will be extended one year until Aug. 1, 1998. Oliver offered an amendment to the bill that expands the authority of doctors to prescribe certain controlled substances. The amendment was objected to by Betzold as not germane to the bill. The chair ruled the amendment not germane. The bill was recommended for final passage.

S.F. 2078, carried by Sen. Ember Junge (DFL-New Hope), increases the penalty for possession of a gun by a convicted felon. Junge said the penalty for possession, under the bill, is increased from 18 months to five years for the first offence.

Junge said that the five year sentence is mandatory and the increased penalty will be used by law enforcement to combat gang violence. The bill was recommended for final passage.

S.F. 3084, carried by Sen. Jerry Janezich (DFL-Chisholm), provides an additional 13 weeks of re-employment benefits for individuals on layoff for the Hibbing Taconite Company. Janezich said people out of work at the mine will be called back in a couple of months and the extension of benefits gives the push they need to make it through a tough time. The bill was recommended for final passage.

S.F. 2783, authored by Kiscaden, allows for a assessment process to be followed whenever the legislature creates a new mandate relating to healthcare coverage. Sen. Ellen Anderson (DFL-St. Paul) asked if the bill included any provisions that restrict the legislature's ability to impose new mandates. Kiscaden said the there were no such provisions in the bill. The bill was recommended for final passage.

Tuesday, March 10

General Orders bills approved

The Tues., Mar. 10, floor session was devoted to discussion of bills on General Orders. The Senate, acting as a Committee of the Whole, heard and granted preliminary passage to all of the bills discussed during the session.

Sen. Tracy Beckman (DFL-Bricelyn) authored a bill he said will prevent big telephone companies from "cherry-picking," or choosing to serve some customers in a rural community while ignoring others deemed too expensive to serve. S.F. 2582 requires large telephone companies that offer service to customers in an exchange area already serviced by a small telephone company to provide service throughout the exchange area and to contiguous exchange areas. Beckman said the bill is important to rural Minnesotans because without it, rural areas served by small telephone companies will suffer less service or perhaps, no service at all as a result of deregulation of the telecommunications industry. "Those of us who live in remote rural communities know we would not have the kind of phone service we have today if it were not for regulation," he said.

Opposition was expressed by Sen.

Linda Runbeck (R-Circle Pines), who said the bill runs counter to the current trend toward deregulation in telecommunications by protecting small telephone companies from competition. Runbeck called the bill “anti-competitive,” and said the protection of small companies keeps phone rates high in rural communities and harms rural economic development. She offered an amendment requiring that a company protected under Beckman’s bill lose the protection if it tries to expand outside its exchange area. Runbeck said, “My amendment says, if you’re going to have protection you don’t have the right to go cherry-picking in other areas.”

Several Senators said they opposed the amendment because small telephone companies have provided good service at competitive rates to rural communities and therefore deserve protection from large companies who often give poor service to rural communities. The amendment was defeated. S.F. 2582 was approved.

Sen. John Hottinger (DFL-Mankato) authored a bill including the affiliates of insurance companies in the prohibition in current law against insurance companies offering rebates to customers. Hottinger said S.F. 2928 closes a loophole in the law and enforces the intent of the original reform.

Sen. Dave Kleis (R-St. Cloud) said he opposed the bill on the grounds that it doesn’t make sense to prohibit insurance companies from rebating when there is no prohibition on rebating by companies in other industries, such as credit card companies, phone companies and airlines. Kleis offered an amendment repealing the current law prohibiting insurance companies from rebating.

Several Senators expressed opposition to the amendment. Sen. William Belanger (R-Bloomington) said that while states are charged with the regulation of insurance companies, they are not authorized to regulate airlines or credit card companies. There was concern from several Senators that offers of rebates would cause consumers to make unwise decisions about insurance. Sen. Arlene Lesewski (R-Marshall) said that people who don’t understand insurance may be easily conned into switching insurance policies when they are offered a rebate. Hottinger agreed, “Government’s job is to protect consumers from gimmicks.”

Sen. Linda Scheid (DFL-Brooklyn Park) spoke against the bill and in support of Kleis’ amendment. She called the bill “anti-competitive” and “anti-consumer,” and said she doubted rebate offers cause consumers to make bad decisions on insurance. The amendment was defeated 12-48 on a roll-call vote.

Scheid followed up by offering an amendment calling for a one-year study of insurance rebating by the Department of Commerce. She said there is a legitimate concern about consumers not understanding insurance but that prohibiting insurance rebating is anti-competitive. Hottinger opposed Scheid’s amendment, saying it would keep the loophole allowing insurance company affiliates to rebate open for another year. The amendment was defeated. S.F. 2928 was approved.

S.F. 726, a bill modifying the state procurement law, is sponsored by Sen. David Knutson (R-Burnsville). He offered six amendments to the bill, which he said was still “a work in progress” after it was approved and sent to the Senate floor by the Commerce Committee. Five of the amendments offered by Knutson were approved without controversy. The amendment that was not approved would have exempted some out-of-state businesses that contracted with the state of Minnesota from the state’s affirmative action requirements. The amendment exempts an out-of-state business with more than 40 full-time employees that is contracting with a department or agency of the state for goods or services in excess of \$100,000, from complying with Minnesota’s affirmative action plan requirements if the business is in compliance with affirmative action requirements in the jurisdiction of its primary place of business, or if the jurisdiction of its primary place of business does not have an affirmative action plan requirement.

Sen. Ember Junge (DFL-New Hope) said she opposed the amendment because businesses contracting with the state of Minnesota should have to abide by Minnesota’s affirmative action law. Junge said it is unfair to exempt businesses from other states from the affirmative action plan with which Minnesota businesses must comply. Sen. Dan Stevens (R-Mora) supported the amendment, which he said is supported by the Departments of Human Rights and

Administration. Stevens said the Human Rights Department does not have the resources to audit compliance by out-of-state businesses. The Knutson amendment was defeated.

Junge offered an amendment taking the entire section regarding affirmative action requirements out of Knutson’s procurement bill and putting it in the Crime Prevention and Judiciary Budget Division bill. Sen. Allen Spear (DFL-Mpls.) said that because the Human Rights Department comes under the jurisdiction of the Judiciary Committee it makes sense to address the affirmative action requirement in the Judiciary Committee. The amendment was approved 27-22 on a roll-call vote. S.F. 726, as amended, was approved.

Sen. Deanna Wiener (DFL-Eagan) authored S.F. 2752, establishing a construction code advisory council. The bill specifies the duties and composition of the council, which expires June 30, 2000. Wiener said the governor put together a construction code advisory council last year to help solve the problem of unhealthy homes built under existing code. She said the efforts of the council have been helpful and should continue. Wiener successfully offered two amendments specifying who will serve on the council and delaying the effective date of when the council’s rules will be adopted. The bill, as amended, was approved.

Sen. Dennis Frederickson (R-New Ulm) offered a bill providing that the Office of Tourism may purchase items for resale without complying with competitive bidding requirements. S.F. 2415 also includes provisions increasing the loan maximum for challenge grants and clarifying application requirements for contaminated cleanup grants. The bill was approved.

Sen. Michelle Fischbach (R-Paynesville) carried a bill regulating the solicitation of loans by mailing a check payable to the addressee. A provision of S.F. 2550 prohibits financial institutions and other lenders from offering to make a loan by mailing a live check payable to the addressee unless the addressee already has an open-end credit arrangement or business relationship with the lender or if the addressee has requested the live check in writing. The bill was approved.

Sen. Mark Ourada (R-Buffalo) sponsored H.F. 3070 providing a variance for

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decorative gas lamps. The bill grants a permanent variance allowing a homeowner who received a variance in 1997 to operate a decorative gas lamp at the homeowner's principal place of residence. The bill eliminates the requirement under current law that the homeowner be 65 years or older to be granted a variance, and eliminates the requirement for the variance to be renewed every four years for the life of the recipient. The bill was approved.

Oliver sponsored H.F. 2315. He said the bill, which regulates trademarks and service marks, is based on the International Trademark Association's model bill. The bill was approved.

Graduated licensing bill gains

Legislators also debated at length, Tues., Mar. 10, provisions in S.F. 2407, a bill that establishes a graduated licensing system with a provisional license phase for 16-17 year-old drivers. Authored by Sen. Ember Junge (DFL-New Hope), the bill further establishes youth-oriented driver improvement clinics, requires a violation-free period before advancement to next license stage, and establishes a midnight to 5 a.m. curfew for young teen drivers. She said the graduated licensing program had a long list of supporters including Mother's Against Drunk Driving, the Dept. of Public Safety, the Public Safety Council, the Association of Driver Training Instructors, and the Minnesota State Patrol Troopers Association.

Under the bill, 16 year-olds are granted a provisional license and may earn a full license only if they drive 12 consecutive months with no moving violations or at-fault crashes. Fifteen year-olds still earn a learner's permit but would have to be free of violations and at-fault crashes for six months before applying for the provisional license. Novice drivers of any age will have to have a learner's permit for six months, or three months with certified driver's education training, before they can apply for a full license. The bill appropriates \$295,000 in FY 1998-1999 from the trunk highway fund to the commissioner of public safety for youth-oriented driver improvement clinics and implementation of the graduated licensing program.

Junge thanked the members of the graduated licensing task force for their hard work and dedication. She said the

intent of the bill is to make roads safer, citing a statistic that 44 percent of all 16 year-olds are involved in crashes before the age of 17. Junge said most experts agree that teens need more training and adult supervision to correct bad habits, acquire basic driving skills, and gain experience.

She said provisions for a violation-free period also deter teens from drinking and driving. Junge said, "Teens will have to face the consequences of their actions. Driving is a complex task--and with youthful drivers, the lack of judgment and experience contributes to higher teen crash rates and fatalities."

Moreover, Junge added that the midnight to 5 a.m. curfew--which provides exceptions for adult supervised driving, school, work and some educational activities--eliminates the high risk of fatalities during early morning hours when judgment can be greatly impaired by fatigue, and possibly alcohol. The intent of the bill is to give both parents and teens peace of mind, she said. Sen. Clair Robling (R-Prior Lake), a co-author of the bill, said driving was a privilege and not a right. She said, "The bill simply sends the message to teens that if they want full driving privileges they must obey the rules, accept extra adult guidance, and operate their vehicles when they are alert." She said she was skeptical initially about the added burdens she thought the original bill placed on parents but said she changed her mind when her 16 year-old daughter asked, "If it makes me a better driver, why wouldn't you support it?"

Sen. Kenric Scheevel (R-Preston), another co-author of the bill, said he, too, was initially skeptical, but said, "Sixteen year-olds who think they are immortal are dangerous. I support this bill so that 17 year-olds will have opportunity to feel immortal as well."

Sen. Jane Krentz (DFL-May Township) said she had problems with the curfew provision even though the overall goal of the bill was laudable. She offered an amendment to delete the curfew, which she said was an unrelated issue that affected teens differently. As a parent, she said, she did not want the state involved in the decision to grant post-curfew driving privileges for a school dance but not for a church event. She added that the prospect of teens exceeding the speed limit and ignoring road

conditions to reach home before the curfew also disturbed her. Moreover, she said she believed that young, African-American males would be unduly harassed by police officers using the curfew as an excuse to pull them over. She cited the bill's complex language laying out procedures to gain approval for exceptions to the curfew as another reason to delete the provision.

Junge acknowledged that the curfew provision was the most controversial one in the bill. She urged members to retain the curfew which she said had demonstrated success in reducing fatalities, by 60 percent or more, in other states that had adopted driving-hour curfews. Krenz said statistics can be misleading, citing other public safety studies that say most teen crashes occur around 3 p.m. She said, "Let us not go by polls, but by common sense."

Several Senators supported the Krenz amendment to delete the curfew. Sen. Jerry Janezich (DFL-Chisholm) said, "I do not want to put an irresponsible 21 year-old in the same car as a 16 year-old. I will take a chance in giving my 16 year-old the keys to my car because I trust him. I want my son to be the responsible person in the vehicle. This bill is not ready to be law." Sen. Gary Laidig (R-Stillwater) said the Legislature should not intervene in parents' right to make decisions about teen curfews. Sen. Jane Ranum (DFL-Mpls.) said she also believed the issue was a matter of trust between parent and child. She said the bill should deal only with the consequences of reckless behavior and not impose a broad restriction that punished responsible teens as well.

Sen. Leo Foley (DFL-Anoka) said the trust issue applied only to good parents of good kids. He said that as a former police officer he encountered many troubled teens with absentee parents. He said he believed officers would use their good sense and judge each curfew violation on a case-by-case basis.

Junge then offered her final arguments against the Krenz amendment. She said Legislators could define the curfew issue with their children any way they wanted, but asked, "What about the other child about to hit your child's car? What about the other teen undeserving of your trust?" She said night-time driving restrictions do reduce fatalities and take teens, who may not have the experience or skills to

avoid the other car, off the roads during a dangerous time. The amendment to delete the curfew was adopted on a 34-20 roll call vote.

Senators then debated provisions in the bill dealing with the consequences of traffic violations and at-fault crashes by teens with provisional licenses. Lessard said the criteria in the bill for traffic violations was too harsh. Junge responded that the provisional license is not revoked upon conviction of a moving violation. She said the 12-month waiting period, however, does begin anew. She said the bill gives young drivers an incentive to drive responsibly or stay under the restrictions of a provisional license much longer than necessary.

Sen. Steve Kelley (DFL-Hopkins) offered an amendment to remove reference to moving violations and to state instead that a full class D license is lost only if a moving violation relates to chemical or alcohol abuse. The Kelley amendment was adopted.

Lessard, Laidig and Sen. Thomas Neuville (R-Northfield) offered amendments, which were adopted, to modify other sections dealing with the provisional license and moving violations. The Laidig and Neuville amendments make consistent the language and statutory reference to moving violations. Lessard's amendment changes the bill to allow one moving violation during the 12-month provisional license period.

Janezich and Sen. Mark Ourada (R-Buffalo) offered amendments, which were adopted, to reduce the youth-oriented driver improvement clinic training requirement age from 25 to 21, and to require completion of driver's education program before receiving an instruction permit, respectively.

Sen. Carol Flynn (DFL-Mpls.) said Legislators had spent three years on the topic and the time had come to vote. The measure was granted preliminary passage in a 49-9 roll call vote.

Lastly, Sen. Linda Runbeck (R-Circle Pines) moved that S.F. 3364, a bill that places on the 1998 general election ballot a proposed constitutional amendment for refund of excess state income and sales tax revenues, be withdrawn from the Committee on Taxes and referred to the Committee on Rules and Administration. Runbeck said the February budget surplus was announced after the Tax Committee had voted to

close unofficially for business for the session. She said she wanted the bill to be heard in committee and then debated on the floor. The motion failed on a 39-19 roll call vote.

Wednesday, March 11

Bills given final passage

Senators devoted the first part of the Weds., Mar. 11, floor session to considering bills for final passage. All the bills, with just one exception were given final passage with no discussion. The exception, S.F. 2783, was ultimately removed from the Calendar and placed on General Orders for further discussion and amendment. The bill, authored by Sen. Sheila Kiscaden (R-Rochester), provides for assessments of proposed health coverage mandates. Sen. Don Samuelson (DFL-Brainerd), questioned a section of the bill that requires Legislators to submit bills, or amendments, that propose new health coverage mandates for assessment. Samuelson said he was concerned that the language could prevent legislation from getting through the legislative process. He also said that the Health Care Technology Commission, the entity charged under the bill with doing the assessments, doesn't have the time or resources to do many assessments. Kiscaden responded that the bill did not have to create a backlog because the commission may use assessments and studies that have already been completed. Further, Kiscaden said that the bill is not intended to prevent Legislators from offering amendments. She moved to remove the language relating to amendments from the bill. However, Samuelson objected to the amendment. Under Senate Rules, an author must have the unanimous consent of the body to amend a bill on the Senate Calendar. Kiscaden then moved to have the measure stricken from the Calendar and returned to General Orders.

In other action members granted final passage to the following bills. S.F. 2108, authored by Sen. Linda Berglin (DFL-Mpls.), establishes requirements for blood lead analysis reports and data, provides for lead abatement, lead hazard reduction and lead risk assessment, authorizes licensure of persons and firms to perform lead work and establishes a lead-safe property certification program. S.F. 695, also sponsored by Berglin, establishes

requirements for agreements or transactions between nonprofit health care trusts and for-profit corporations or entities. S.F. 2586, sponsored by Sen. Randy Kelly (DFL-St. Paul), requires sex offender treatment facilities to provide certain information regarding sex offenders, clarifies which law enforcement agency may request the end of confinement review committee to reassess the risk level to which an offender has been assigned, adjusts the time within which certain requirements of the community notification law must be met and eliminates duplicative efforts on notifying victims of certain information.

S.F. 1169, authored by Sen. LeRoy Stumpf (DFL-Thief River Falls), increases restrictions on personal watercraft, imposes additional requirements on renters and dealers of personal watercraft and exempts emergency, safety and enforcement watercraft from certain watercraft restrictions. S.F. 2262, carried by Sen. Steven Novak (DFL-New Brighton), regulates reinsurance intermediary-brokers, provides for the investment of funds held or collected, and clarifies immunity from liability under the Minnesota FAIR Plan Act. H.F. 2489, sponsored by Sen. Jane Krentz (DFL-May Township), modifies the description of a state trail in Ramsey and Washington Counties. H.F. 2708, carried by Sen. Dennis Frederickson (R-New Ulm), provides for associations of agricultural producers, sets dispute resolution procedures and establishes an advisory committee. S.F. 2276, authored by Sen. David Knutson (R-Burnsville), modifies parentage and child support enforcement provisions. S.F. 2161, sponsored by Krentz, increases the statutory maximum for a drive-by shooting at an occupied motor vehicle.

H.F. 2500, sponsored by Sen. Edward Oliver (R-Deephaven), limits customer liability for loss or theft of a debit card. S.F. 2268, authored by Sen. Jim Vickerman (DFL-Tracy), provides for bonding of game and fish license sub-agents. S.F. 2911, also carried by Vickerman, allows expenditures as lawful purposes of compliance with the Americans with Disabilities Act, authorizes organizations to make certain expenditures and contributions through electronic fund transfers, allows an employee to participate in lawful gambling under certain circumstances, allows locally

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administered funds receiving contributions from gambling profits to be spent for certain public safety purposes. S.F. 2078, authored by Sen. Ember Junge (DFL-New Hope), increases the minimum sentence for firearms offenses.

S.F. 2846, authored by Kelly, delays the effective date for listing the drug Carisoprodol as a controlled substance. H.F. 2222, carried by Sen. Dean Johnson (R-Willmar), provides for the establishment of cartways in certain circumstances. S.F. 3084, authored by Sen. Jerry Janezich (DFL-Chisholm), provides additional benefits for certain individuals on layoff from a certain employer and provides an exemption from certain requirements.

Three bills were granted concurrence and repassage. S.F. 1076, authored by Sen. Dallas Sams (DFL-Staples), requires health plan coverage for off-label use of drugs and provides for reimbursement of off-label drugs. S.F. 2384, sponsored by Sen. Janet Johnson (DFL-North Branch), permits the appointment of the county recorder in Chisago County and grants certain easements to Rush City. S.F. 1583, authored by Sen. John Hottinger (DFL-Mankato), sets state policy for regulatory rules and programs of agencies and regulates obsolete, unnecessary, or duplicative rules.

Game and fish bill approved

The omnibus game and fish bill, S.F. 2712, sponsored by Sen. Dennis Frederickson (R-New Ulm), received preliminary approval on General Orders during the Weds., Mar. 11 Senate floor session. Several amendments, including one to prohibit the use of video cameras while fishing, were added to the bill.

In his introductory remarks, Frederickson said the bill changes the definition of outdoor recreation systems; exempts bowfishing bows from transportation regulations; prohibits harvesting white bear; authorizes the acquisition of critical aquatic habitat; allows the commissioner of the Dept. of Natural Resources (DNR) to take catfish in Minnesota-Wisconsin boundary waters; allows minnow dealers to sell at more than one retail outlet; provides an exemption from the requirement to have an angling license to possess a turtle; authorizes the DNR to study issuing lifetime licenses and allowing the hunting of additional animals in shooting

preserves; and authorizes the sale of tax-forfeited land in Mower County and school trust land in St. Louis County. Discussion then opened up for debate and amendments.

A lengthy discussion ensued when Sen. Douglas Johnson (DLF-Tower) offered his amendment to ban the use of video cameras while fishing. Johnson said, "When video cameras are used in the pursuit of fish it's no longer a sport." Johnson cited other reasons to support his amendment. He said that the fish population is a limited resource and the video camera ban creates some equality amongst anglers. Johnson said that even though the cameras currently cost around \$1500, technological advances generally make products more affordable, which will put more pressure on the fish.

Sen. Bob Lessard (DFL-Int'l. Falls) echoed Johnson's concerns. He said that technology takes the sport out of fishing and asked, "Is there nothing left?" Lessard suggested that similar technological advances in other sports could lead to hunting deer with heat seeking bullets.

Lessard said, "The amendment says you can't use them while fishing," and spoke favorably of non-angling uses of the cameras. He said that watching the fish with a camera is just as much fun and was a good family activity.

A motion to remove a provision in the amendment requiring boaters to remove fishing equipment from their boats if they used the video cameras was offered by Sen. Lawrence Pogemiller (DFL-Mpls.). Pogemiller said that with the provision still in the amendment, it presumes the guilt of anyone with both kinds of equipment in their boat. "That's outrageous," said Pogemiller.

Sen. Steven Morse (DFL-Dakota) opposed the Pogemiller motion. Morse said that in order to reduce drive-by shootings, the state prohibits uncased guns in vehicles. Morse said that if someone is using a video camera while fishing and sees a conservation officer approaching, they can pull up the fishing lines and tell the officer that they were just watching the fish. Sen. Jane Ranum (DFL-Mpls.) agreed. She said that removing the provision makes the law unenforceable. The Pogemiller motion was adopted on a 32-30 roll call vote.

Sen. Deanna Wiener (DFL-Eagan) spoke against Johnson's amendment. She said the video camera is just the latest

piece of hi-tech equipment that has continued to put pressure on fish populations. She asked Johnson and Lessard if they opposed depth finders when those products were first introduced in the market.

Sen. Pat Pariseau (R-Farmington) said that she doubted whether the cameras will provide much advantage to anglers. She said that DNR officials testified in a committee hearing that they have not found problems in the field. Pariseau said the state should not ban the technology, just regulate people's behavior. "You don't ban color copiers because of concerns of counterfeiting," she added. Johnson countered that when thousands of the cameras are sold, it will be difficult to pass a similar law. Johnson said that it is critical for the Legislature to pass the camera ban now before use is widespread.

Opposition to the Johnson amendment was voiced by Sen. LeRoy Stumpf (DFL-Thief River Falls). Stumpf said that it seems ironic to ban video cameras while allowing other kinds of technology when fishing. Stumpf said that he was concerned the ban will hurt the new Minnesota company that manufactures the camera.

Most members agreed with Johnson and voted 51-9 to adopt the amendment.

Johnson offered another amendment that establishes minimum fish stocking requirements for the DNR. Johnson said that the amendment requires the department to stock 300 million walleye fry, and 4.4 million walleye fingerlings in Minnesota lakes. He said the stocking levels are down 66 percent for fingerlings and 50 percent for fry since the late 1980s. The stocking requirement is lower for fingerlings because they have a higher survival rate, Johnson said.

Sen. Dan Stevens (R-Mora) asked why the DNR reduced their fish stocking levels. Morse responded that the DNR began shifting their method of maintaining fish populations 15 to 20 years ago. Morse said that now the DNR manages the lake habitat so that fish levels will be sustained rather than use fish hatcheries to resupply lakes as the fish are caught. Morse added that currently the state's lakes are in a transition period and the fish populations have not rebounded yet to where they were under the old "put and take" system.

Sen. Dean Johnson (R-Willmar) said that the amendment increases the odds

that a person will catch a fish. He said that on the average it takes 9 hours of fishing to catch a walleye. Dean Johnson argued that without the stocking, Minnesota's reputation as a fishing destination will suffer. He added that when a person purchases a fishing license, they have a reasonable expectation to catch a fish. The amendment was adopted on a 40-19 roll call vote.

Several other amendments to the bill were offered by members. Pariseau offered a provision requiring professional moose hunting guides to purchase a moose hunting guide license. She said the provision is similar to other types of hunting guide license requirements. Dean Johnson presented an amendment proposing a study of the effect of cormorants on the state's fish population. Both amendments were adopted.

Other members offered amendments authorizing land sales and transfers. Sen. Becky Lourey (DFL-Kerrick) offered a measure identical to the provisions of S.F. 2351 authorizing the private sale of tax-forfeited land in Carlton County, the private sale of land in Aitkin County, the transfer of land to the city of Faribault in Rice County, and the sale of tax-forfeited land in Douglas County. Sen. Jerry Janezich (DFL-Chisholm) sponsored an amendment authorizing the private sale of tax-forfeited peat land in St. Louis County and Morse sponsored an amendment authorizing access to private land within a migratory waterfowl refuge. Upon verifying with the amendment sponsors that the provisions received approval from the Environment and Natural Resources Committee, Frederickson supported the amendments.

The Senate adopted the amendments.

Sen. Tracy Beckman (DFL-Bricelyn) offered an amendment increasing the fees paid to hunting and fishing license sellers by 50 cents. Morse opposed the amendment, arguing that no one forces the license sellers to offer the licenses, and the license sales usually result in the sale of other hunting and fishing supplies. Beckman countered that the bonding requirement placed on license sellers is a hardship on small retailers and many have gotten out of the business. Sen. Martha Robertson (R-Minnetonka) was critical of the amendment. She said that the state should not raise fees in a budget surplus year.

The amendment was rejected on a 14-41 roll call vote. Frederickson's motion to grant preliminary approval to the bill was adopted.

Floor action

Friday, March 6

Bills granted final passage on the Calendar

H.F. 3040-Lourey: Modifies requirements for documentation of long-term care facility payrolls. 60-1

S.F. 2445-Novak: Regulates excavation notice system, authorizes commissioner of public safety to appoint a pipeline safety committee and increases civil penalties. 62-1

S.F. 2097-Kelly, R.C.: Includes witness tampering within the list of crimes for which a mandatory minimum sentence applies, increases the penalties for crimes committed for the benefit of a gang, and requires a mandatory minimum sentence for certain crimes committed for the benefit of a gang. 59-0

S.F. 2378-Junge: Defines the terms "professional" and "professional services" as they relate to professional corporations and professional firms. 63-0

S.F. 2581-Kiscaden: Permits the appointment of the Olmsted County auditor/treasurer. 62-1

H.F. 2895-Solon: Modifies permitted investments of township mutual insurance companies and regulates farm risks. 63-0

S.F. 2316-Murphy: Continues the uniform program for registration and permitting of intrastate carriers of hazardous materials, eliminates requirement of criminal background check and imposes a fee. 62-0

S.F. 2334-Johnson, J.B.: Requires snowmobiles registered in another jurisdiction that use a state or grant-in-aid trail to have a state trail sticker, authorizes agents and subagents for the sale of state trail stickers and imposes procedures for sale of the stickers. 63-0

H.F. 3332-Ranum: Modifies conditions for open adoption agreements and makes technical changes to the putative father registry. 62-0

S.F. 2684-Ranum: Provides criminal penalties for whoever violates an order for protection/minor respondent, prohibits violators of those orders from possessing firearms and clarifies service of notice under the harassment restraining order law. 60-3

S.F. 2382-Kiscaden: Changes a deadline for commissioner of human rights determination of complex cases and eliminates a notice requirement. 63-0

S.F. 3011-Lessard: Prohibits the taking of white bears. 63-0

H.F. 2612-Johnson, J.B.: Designates the State Trooper Timothy J. Bowe Memorial Highway. 61-2

S.F. 2256-Marty: Modifies some elections provisions that have been ruled unconstitutional. 62-0

S.F. 1814-Scheid: Modifies provisions relating to the board of architecture, engineering, land surveying, landscape architecture, geoscience, and interior design. 63-0

S.F. 3016-Johnson, D.J.: Authorizes acceptance of dump materials at certain qualified landfills. 64-0

S.F. 2587-Kelly, R.C.: Expands the enhancement penalties for crimes committed for the benefit of a gang to include crimes that are motivated by involvement with a gang. 64-0

H.F. 3250-Pappas: A resolution memorializing the President and Congress of the United States to enact the Aircraft Repair Station Safety Act of 1997. 52-12

S.F. 2420-Kelly, R.C.: Directs the commissioner of public safety to study the use of blue lights on emergency vehicles and road maintenance vehicles. 62-1

S.F. 3032-Wiener: Regulates investments of certain insurers. 64-0

S.F. 1378-Betzold: Modifies the Data Practices Act. Provides for data privacy for certain audit information, classifies certain law enforcement data, provides for the classification of and access to government data, provides that certain documents

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may be classified as nonpublic data until negotiations with vendors and best and final offers are received and makes technical and clarifying changes to tax disclosure provisions. 64-1

S.F. 2317-Higgins: Clarifies responsibility for compensating innocent third parties whose property is damaged by law enforcement officers for a public use. 63-1

H.F. 2642-Higgins: Exempts certain overpaid benefits from the state's standard collection procedure. 65-0

S.F. 1654-Ten Eyck: Provides for fee changes for filing and recording certain documents relating to real property. 57-8

S.F. 2274-Solon: Regulates beer brewers and wholesalers, provides for the obligations of successors, allows the commissioner of public safety to issue on-sale licenses to Giants Ridge and Ironworld Discovery Center, modifies restrictions for temporary on-sale licenses, authorizes issuance of temporary on-sale licenses to state universities, regulates malt liquor sampling, and authorizes certain cities to issue additional on-sale licenses. 64-0

S.F. 2372-Lourey: Requires hepatitis B immunization for children. 65-0

S.F. 3090-Ten Eyck: Provides for petitions for the dissolution of town subordinate service districts. 65-0

H.F. 2809-Wiener: Requires copies of audited financial statements to be provided to members of the city council and the mayor, or to the town board members, and presented at a regularly scheduled meeting of the city or town's governing body. 64-0

S.F. 2725-Betzold: Authorizes additional methods for recorder and registrar functions. 65-0

H.F. 2736-Lourey: Authorizes gifts to certain food distribution organizations. 65-0

S.F. 2346-Flynn: Adds the position of executive director of the Minneapolis Police Civilian Review Board to the list of unclassified employees, establishes and provides the powers and duties of the midtown planning and coordination board and removes an age ceiling for new firefighters in Minneapolis. 65-0

H.F. 2601-Wiener: Regulates lien or claim waivers and subcontractor payments in building and construction contracts and modifies the redemption period for property sold at a mechanic's lien foreclosure sale. 64-1

S.F. 2595-Foley: Creates a felony penalty for criminal contempt involving failure to obey certain subpoenas and for certain offenders who fail to appear for criminal proceedings. 64-0

S.F. 2207-Hottinger: Exempts certain prescriptions from bearing a federal drug enforcement administration registration number and restricts the use and the release of the federal drug enforcement administration registration number. 64-0

S.F. 2068-Kelley, S.P.: Provides for the reliability of electronic messages, provides for certification authorities, provides licensing and enforcement powers, defines terms and provides for rulemaking. 65-0

S.F. 2861-Hottinger: Provides for the use of automatic external defibrillators. 65-0

H.F. 668-Kiscaden: Enacts the Industrial Hygienist and Safety Professional Title Protection Act and provides title protection to the professions of industrial hygiene and safety. 65-0

H.F. 2846-Johnson, D.J.: Provides for automobile insurance premium reduction for completion of accident prevention course. 63-0

S.F. 2269-Stumpf: Clarifies provisions relating to hearings of the board of water and soil resources, increases the level of exempted bids for watershed districts, modifies the public review period for wetland replacement plans, provides for notice of local wetland plan development to the commissioner of agriculture, requires approval of certain wetland replacements and requires a report on wetland law consolidation. 65-0

S.F. 2945-Stumpf: Enters into the interstate emergency management assistance compact in order to share resources in the event of natural disasters. 64-0

S.F. 2498-Kelly, R.C.: Requires sex offenders moving into Minnesota to register within five days, authorizes adult and juvenile offender registration information to be maintained together, and expands prosecutorial jurisdiction. 65-0

S.F. 2489-Solon: Regulates residential mortgage loans and establishes table funding requirements. 64-0

S.F. 2879-Vickerman: Regulates security interests in agricultural crops and modifying the treatment of certain collateral. 49-16

S.F. 2730-Robertson: Makes technical corrections relating to information systems and technology, data practices and appropriations within the Dept. of Administration, authorizes the commissioner to apply for and receive grants, designates the department as the responsible agency for certain federal programs and clarifies the department's administration authority over building operations and maintenance. 65-0

H.F. 2616-Metzen: Provides for city administration of the dangerous dog registration system. 64-1

S.F. 1258-Scheid: Regulates residual liability insurance on nonowned vehicles. 55-9

S.F. 2447-Sams: Modifies provisions relating to speech-language pathologists, unlicensed mental health practitioners, alcohol and drug counselors, physical therapists, and hearing instrument dispensers and authorizes exempt rulemaking. 65-0

S.F. 2416-Frederickson: Modifies the debt collections act. 64-0

H.F. 3071-Ourada: Updates petroleum specifications. 65-0

S.F. 2751-Anderson: Requires employers to make accommodation for nursing mothers. 58-7

S.F. 2926-Junge: Expands a peace officer's authority to make traffic-related arrests and provides that an owner or lessee of a motor vehicle is guilty of a petty misdemeanor if the vehicle is used to commit a cross-walk violation. Failed 24-41. Returned to General Orders.

S.F. 3036-Betzold: Regulates withdrawals by limited partners and changes state law to provide favorable federal estate tax valuation treatment in certain circumstances. 63-0

S.F. 2869-Betzold: Modifies the required contents of petitions seeking judicial expungement orders. 62-0

S.F. 2758-Junge: Authorizes access to certain juvenile records and provides for the state court administrator to prepare annual reports of delinquency dispositions. 64-0

S.F. 2493-Junge: Limits liability of financial institutions providing data for the criminal alert network. 63-1

Bills granted preliminary passage on General Orders

S.F. 2586-Kelly, R.C.: Requires sex offender treatment facilities to provide certain information regarding sex offenders, clarifies which law enforcement agency may request the end-of-confinement review committee to reassess the risk level to which an offender has been assigned, adjusting the time within

which certain requirements of the community notification law must be met, and eliminates duplicative efforts on notifying victims of certain information.

S.F. 1169-Stumpf: Increases restrictions on personal watercraft, imposes additional requirements on renters and dealers of personal watercraft and exempts emergency, safety and enforcement watercraft from certain watercraft restrictions.

S.F. 2262-Novak: Regulates reinsurance intermediary-brokers, provides for the investment of funds held or collected, and clarifies immunity from liability under the Minnesota FAIR Plan Act.

S.F. 2756-Novak: Provides penalties for violations of underground storage tank statutes and rules.

Monday, March 9

Bills granted preliminary passage on General Orders

S.F. 2268-Vickerman: Provides for bonding of game and fish license subagents.

S.F. 2276-Knutson: Modifies parentage and child support enforcement provisions.

S.F. 2161-Krentz: Increases the statutory maximum for a drive-by shooting at an occupied motor vehicle.

H.F. 2500-Oliver: Limits customer liability for loss or theft of a debit card.

H.F. 2708-Frederickson: Provides for associations of agricultural producers, sets dispute resolution procedures and establishes an advisory committee.

H.F. 2489-Krentz: Modifies the description of a state trail in Ramsey and Washington Counties.

S.F. 2911-Vickerman: Allows expenditures as lawful purposes of compliance with the Americans with Disabilities Act, authorizes organizations to make certain expenditures and contributions through electronic fund transfers, allows an employee to participate in lawful gambling under certain circumstances, allows locally administered funds receiving contributions from gambling profits to be spent for certain public safety purposes.

S.F. 2718-Kelley, S.P.: Amends the state telephone assistance program to match federal requirements, requires the Dept. of Human Services to automatically enroll eligible persons based on information in state information systems, increases the TAP surcharge, requires Public Utilities Commission to develop and implement state universal service fund by Dec. 31, 2000, changes authorized expenditures for telephone assistance fund.

S.F. 2078-Junge: Increases the minimum sentence for firearms offenses.

S.F. 2783-Kiscaden: Provides for assessments of proposed health coverage mandates.

S.F. 3084-Janezich: Provides additional benefits for certain individuals on layoff from a certain employer and provides an exemption from certain requirements.

H.F. 2222-Johnson, D.E.: Provides for the establishment of cartways in certain circumstances.

S.F. 2846-Kelly, R.C.: Delays the effective date for listing the drug Carisoprodol as a controlled substance.

Bills granted concurrence and repassage

S.F. 2402-Stevens: Prohibits the unauthorized possession of or damage to plastic merchandise pallets. 59-0

Tuesday, March 10

Bills granted concurrence and repassage

S.F. 2516-Stevens: Modifies provisions on experimental or research projects in the Dept. of Employee Relations. 55-0

S.F. 2163-Knutson: Regulates licensed motor vehicle dealers and provides an exception. 58-0

Bills granted preliminary passage on General Orders

S.F. 2415-Frederickson: Provides that the Office of Tourism may purchase items for resale without complying with competitive bidding requirements, increases the loan maximum for challenge grants, clarifies application requirements for contaminated cleanup grants, authorizes compensation for members of the Job Skills Partnership Board and modifies assistance provisions under the wastewater infrastructure funding program.

S.F. 2582-Beckman: Requires competitors of small telephone companies to offer telecommunications service to contiguous exchange areas in certain situations.

S.F. 2928-Hottinger: Prohibits affiliates of insurance companies from engaging in rebating that is illegal for insurance companies.

S.F. 2550-Fischbach: Regulates solicitation of loans by mailing a check payable to the addressee.

H.F. 2315-Oliver: Regulates trademarks and service marks, defines terms and provides remedies.

S.F. 2752-Wiener: Establishes a construction code advisory council.

H.F. 3070-Ourada: Provides for variance for decorative gas lamp.

S.F. 726-Knutson: Modifies the state procurement process, authorizes rulemaking and makes various conforming amendments.

S.F. 2407-Junge: Establishes youth-oriented driver improvement clinics, establishes a graduated licensing system with provisional license phase; restricts driving privileges for holders of instruction permits and provisional licenses, and requires a violation-free period before advancement to next license state. 49-9

Wednesday, March 11

Bills granted final passage on the Senate Calendar

S.F. 2108-Berglin: Establishes requirements for blood lead analysis reports and data, provides for lead abatement, lead hazard reduction and lead risk assessment, authorizes licensure of persons and firms to perform lead work and establishes a lead-safe property certification program. 60-0

S.F. 695-Berglin: Establishes requirements for certain agreements or transactions between nonprofit health care trusts and for-profit corporations or entities. 60-0

S.F. 2586-Kelly, R.C.: Requires sex offender treatment facilities to provide certain information regarding sex offenders, clarifies which law enforcement agency may request the end of confinement review committee to reassess the risk level to which an offender has been assigned, adjusts the time within which certain requirements of the community notification law must be met and eliminates duplicative efforts on notifying victims of certain information. 62-0

Floor action

S.F. 1169-Stumpf: Increases restrictions on personal watercraft, imposes additional requirements on renters and dealers of personal watercraft and exempts emergency, safety and enforcement watercraft from certain watercraft restrictions. 63-0

S.F. 2262-Novak: Regulates reinsurance intermediary-brokers, provides for the investment of funds held or collected, and clarifies immunity from liability under the Minnesota FAIR Plan Act. 63-0

H.F. 2489-Krentz: Modifies the description of a state trail in Ramsey and Washington Counties. 65-0

H.F. 2708-Frederickson: Provides for associations of agricultural producers, sets dispute resolution procedures and establishes an advisory committee. 63-0

S.F. 2276-Knutson: Modifies parentage and child support enforcement provisions. 65-0

S.F. 2161-Krentz: Increases the statutory maximum for a drive-by shooting at an occupied motor vehicle. 65-0

H.F. 2500-Oliver: Limits customer liability for loss or theft of a debit card. 65-0

S.F. 2268-Vickerman: Provides for bonding of game and fish license subagents. 65-0

S.F. 2911-Vickerman: Allows expenditures as lawful purposes of compliance with the Americans with Disabilities Act, authorizes organizations to make certain expenditures and contributions through electronic fund transfers, allows an employee to participate in lawful gambling under certain circumstances, allows locally administered funds receiving contributions from gambling profits to be spent for certain public safety purposes. 65-0

S.F. 2078-Junge: Increases the minimum sentence for firearms offenses. 63-1

S.F. 2846-Kelly, R.C.: Delays the effective date for listing the drug Carisoprodol as a controlled substance. 64-0

H.F. 2222-Johnson, D.E.: Provides for the establishment of cartways in certain circumstances. 65-0

S.F. 3084-Janezich: Provides additional benefits for certain individuals on layoff from a certain employer and provides an exemption from certain requirements. 51-13

Bills granted concurrence and repassage

S.F. 1076-Sams: Requires health plan coverage for off-label use of drugs. 62-0

S.F. 2384-Johnson, J.B.: Permits the appointment of the county recorder in Chisago County and grants certain easements to Rush City. 63-0

S.F. 1583-Hottinger: Sets state policy for regulatory rules and programs of agencies and regulates obsolete, unnecessary, or duplicative rules. 62-0

Bills granted preliminary passage on General Orders

S.F. 2712-Frederickson: Omnibus game and fish bill. Provides for the acquisition of critical aquatic habitat, modifies commercial netting provisions, exempts archery bows used for bowfishing from casing requirement, prohibits the taking of

white bears, permits the commissioner to take catfish in certain waters, modifies minnow retailer provisions, modifies turtle license provisions, requires the commissioner of natural resources to study lifetime hunting and fishing licenses, requires the commissioner to study the modification of species restrictions on shooting preserves, authorizes the public sale of tax-forfeited land in Mower County and authorizes the sale of certain school trust land in St. Louis County.

Thursday, March 12

Bills granted final passage on Special Orders

S.F. 3109-Sams: Provides for certification for manure testing laboratories, adds requirements for manure storage structures, defines "animal unit", requires a report on manure applicator training, expands the purposes of the value-added agricultural product loan program, modifies requirements for environmental review of proposed feedlots, establishes a voluntary rural dispute resolution procedure, modifies provisions relative to animal cruelty, and provides alternatives for animal disposal. 47-17

S.F. 2099-Foley: Lowers the blood alcohol concentration limit for operating a motor vehicle or hunting from 0.10 percent to 0.08 percent. 64-0

H.F. 3840-Johnson, D.J.: Omnibus tax bill. 48-16

Bills granted final passage on the Senate Calendar

H.F. 2722-Novak: Provides penalties for violations of underground storage tank statutes and rules. 59-2

S.F. 2415-Frederickson: Provides that the Office of Tourism may purchase items for resale without complying with competitive bidding requirements, increases the loan maximum for challenge grants, clarifies application requirements for contaminated cleanup grants, authorizes compensation for members of the Job Skills Partnership Board and modifies assistance provisions under the wastewater infrastructure funding program. 62-0

S.F. 2582-Beckman: Requires competitors of small telephone companies to offer telecommunications service to contiguous exchange areas in certain situations. 34-29

S.F. 2752-Wiener: Establishes a construction code advisory council. 60-0

S.F. 726-Knutson: Modifies the state procurement process, authorizes rulemaking and makes various conforming amendments. 61-0

S.F. 2928-Hottinger: Prohibits affiliates of insurance companies from engaging in rebating that is illegal for insurance companies. 62-0

H.F. 2315-Oliver: Regulates trademarks and service marks, defines terms and provides remedies. 61-0

S.F. 2407-Junge: Establishes youth-oriented driver improvement clinics, establishes a graduated licensing system with provisional license phase; restricts driving privileges for holders of instruction permits and provisional licenses, and requires a violation-free period before advancement to next license state. 43-19

1998 Chapters and Resolutions

Number	Senate File	Senate Author	House File	House Author	Description	Signature date
252	2111	Samuelson	2492	Anderson, I.	Fish house restrictions and license periods modifications	2/12/98
253	663	Higgins	661*	Biernat	Landlord and tenant law recodifications and clarifications.	2/18/98
254	2134	Betzold	2524*	Chaudhary	Revisor's bill.	2/18/98
255	1440*	Ranum	1554	Dawkins	Uniform certification of questions of law act adopted.	2/19/98
256	2017	Moe, R.D.	2372*	Lieder	Norman County Medical Center competitive bid exemption.	2/25/98
257	2261	Sams	2550*	Otremba	Rural hospital flexibility program.	2/25/98
258	2167	Metzen	2338*	Folliard	Gulf War veterans' bonus modification.	2/25/98
259	2156	Higgins	2499*	Stanek	Hennepin County Board small purchase limit increase.	2/27/98
260	2478*	Samuelson	2890	Tunheim	Savings association act maintained.	2/27/98
261	2345	Morse	2828*	Tingelstad	Commissioner of health public water supply approval authority modified.	3/4/98
262	2031*	Betzold	2390	Pugh	Real property conveyance provisions modified.	3/4/98
263	2028*	Sams	2576	Juhnke	Emergency vehicle signal operation modification.	3/4/98
264	2379*	Metzen			Local government unit aid distribution clarification in township annexation.	3/4/98
265	2621*	Scheevel	2646	Jefferson	Reemployment insurance technical changes.	3/4/98
266	2122	Metzen	2590*	Jennings	Tenant security deposit interest rate increase.	3/4/98
267	2170*	Lessard	2425	Anderson, I.	Watercraft trailers and ATVs exempt from motor vehicle sales on Sunday prohibition.	3/5/98
268	2525*	Wiger	2927	McCollum	Ramsey County purchases from health care cooperatives.	3/5/98
269	2685*	Vickerman	3119	Olson, E.	Public officers contract interest authority clarification.	3/5/98
270	2315*	Robertson	2811	Kahn	Director of Office of Technology membership to various organizations clarification.	3/5/98
271	2354*	Kiscaden	3734	Mares	Public employees insurance program expansion.	3/6/98
272	2688	Terwilliger	3095*	Rhodes	Chaplain Sunday designation.	3/6/98
273	2477*	Stumpf	2866	Kinkel	Dept. of Children, Families and Learning and Dept. of Economic Security reorganization codified.	3/9/98
Res. 5	2055	Pogemiller	2417*	Jaros	Congress memorialized to support the admission of Poland, Czech Republic and Republic of Hungary to NATO.	Filed without signature

Preview

Monday, March 16

The Senate is in session at 11 a.m.

Family and Early Childhood Education Conference Committee

Chairs: Sen. Pat Piper and Rep. Tony Kinkel

2 p.m. or immediately after session, Room 112 Capitol

Agenda: S.F. 2532: Omnibus family and early childhood supplementary appropriations bill.

Environment and Agriculture Budget Division

Chair: Sen. Steven Morse

1/2 hour after session Room 123 Capitol

Agenda: S.F. 3353: Omnibus environment and agriculture supplemental appropriations.

Economic Development Conference Committee

Chairs: Sen. Tracy Beckman and Rep. Steve Trimble

Immediately after both bodies have adjourned, Room 107 Capitol

Agenda: SF 3367: Omnibus economic development supplemental budget bill.

Tuesday, March 17

Children, Families and Learning Committee

Chair: Sen. Pat Piper, Sen. Lawrence Pogemiller and Sen. LeRoy Stumpf

8 a.m., Room 15 Capitol

Agenda: Confirmations: Board of Trustees of the Minnesota State Colleges and Universities and Minnesota Higher Education Facilities Authority Board.

Commerce Committee

Chair: Sen. Sam Solon

8:30 a.m., Room 107 Capitol

Agenda: S.F. 3397-Spear: Eliminating retroactive exemption from the franchise law of agreements between air carriers.

Local and Metropolitan Government Committee

Chair: Sen. Jim Vickerman

8:30 a.m., Room 112 Capitol

Agenda: Confirmation of Governor's Appointments: Gambling Control Board-Peggy Moon; MN Racing Commission-John C. Farrell, Richard L. Pemberton, Cynthia Piper; Metropolitan Council-James J. Wychor.

The Senate is in session at 10 a.m.

Judiciary Committee

Chair: Sen. Jane Ranum

1:00 p.m. or immediately after Session, Room 125 Capitol

Agenda: Confirmation of Cyndy Brucato to the Board of Judicial Standards.

Wednesday, March 18

Ad Hoc Committee on Information Technology

Chair: Sen. Steve Kelley

8:30 a.m. Room 112 Capitol

Agenda: Discussion of future vision/needs assessment for education technology (k-12 and higher ed) in the state. Parties invited to participate: Dept. of Children, Families & Learning; MN Education Telecommunications Council; University of MN; MN State College & Universities; and the MN Office of Technology.

The Senate is in session at 10 a.m.

Thursday, March 19

The Senate is in session at 9 a.m.

Friday, March 20

The Senate is in session at 9 a.m.

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Senate Briefly

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Photo by Donna Kelly.



March 20, 1998

Senate Highlights

Transportation bill completed

The Transportation Conference Committee, chaired by Sen. Janet Johnson (DFL-North Branch) and Rep. Bernie Lieder (DFL-Crookston), approved several provisions of the supplemental appropriations bill at a meeting Mon., Mar. 16.

Members of the conference committee approved provisions that were identical in both the House and Senate versions of the appropriations bill. The identical appropriations provisions include \$694,000 to the State Patrol for communications equipment, \$235,000 to cover increases in the cost of driver's licenses to the Department of Public Safety (DPS), and \$61,000 to the Department of Transportation (MnDOT) for the state airports fund. Identical provisions also direct a DPS task force to investigate violations of motor vehicle registration and sales laws, require truck-tractors to have wheel-flaps, amend the law that prohibits trucks and combinations from operating when the gross weight on a group of axles exceeds statutory limits, and amend the 1997 appropriation to MnDOT for air service grants to allow for carryover of the first year's appropriation into the second year.

Both House and Senate versions include a provision exempting from registration and taxation aircraft that are licensed to provide air ambulance service and used exclusively for that purpose. The House and Senate versions contain slightly different language. The Senate provision was approved.

The House version directs the commissioner of public safety to conduct a study of allowing blue lights to the front and rear of emergency vehicles and prohibiting the use of blue lights by other vehicles. A comparable provision is included in S.F. 2420, which passed the Senate with slightly different language. Members approved the House version and then amended it to carry the Senate language.

There is a provision in the House version related to air transportation service charges, providing that the costs of air transportation that MnDOT's office of aeronautics charges to other state agencies would no longer include pilot salary and aircraft acquisition costs. The Senate version does not contain a comparable provision. But the provision is included in S.F. 2592 which is pending on the Senate floor. Members adopted the House language.

Both versions establish a DPS task force to investigate violations of motor vehicle registration and sales laws. The House version contains no expiration date for the task force while the Senate version specifies July 1, 2000. Members approved the Senate version.

Members held extensive discussion on provisions of the third article which apportion five percent of the net highway user tax distribution fund and create a flexible highway account for trunk highways that have been turned back to cities or counties. Both versions provide for a new distribution of five percent of the highway user tax distribution fund. Under the new distribution all of the money would go to the county state-aid fund and from there be put into a flexible account for county and city turnbacks and for regular trunk highway projects. The House version specifies that a portion of the flexible account would go to the metropolitan town road account established in a provision of the bill. A provision establishes the metropolitan town road account in the county turnback account provides money to towns over 10,000 population that have taken county turnback highways. Under the provision, each such town receives from the account the same amount that it would receive from the municipal-state-aid-street (MSAS) fund if it were a city. The Senate does not contain the MSAS provision. But a comparable provision is in S.F. 2109, pending in the Transportation Committee.

The members met a second time Mon., Mar. 16, to reach agreement on the issues that had not yet been resolved. Sen. Janet Johnson (DFL-North Branch) presented the Senate's proposal. She said Senate members would accept the House position to appropriate \$40 million, not \$35 million, for state road construction, and \$6.8 million, not \$5.9 million, for design and construction engineering. Johnson said the Senate conferees asked House conferees to accept the Senate position requiring MnDOT to use fibrous matting products manufactured in Minnesota when similar to other products.

Johnson proposed a compromise on funding for additional state patrol troopers. While the Senate version appropriates funds for 25 troopers and the House version 40, Johnson proposed compromising at 29 additional troopers

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and related support staff, costing \$2.697 million. Both the House and Senate bills appropriated \$294,000 for an increase in capitol security staff, but the House version allowed the Department of Public Safety to spend some of the money for increased flight time for patrol helicopters. Johnson said the Senate proposed keeping the \$294,000 appropriation for the capitol security staff and adding \$200,000 from the trunk highway fund for patrol helicopter flight time.

The second article of the House version, which included provisions setting out transportation spending goals and requiring that at least 60 percent of trunk highway funds each year be used for the construction and reconstruction of trunk highways, was not included in the Senate's proposal.

Johnson said Senate members agreed to the new distribution of five percent of the highway user tax distribution fund to a new town road account, the town bridge account, and a new flexible highway account. Under the new distribution all of the money in the flexible highway account goes to the county and city turnbacks and for regular trunk highway projects. Senate members agreed to a House provision regarding the municipal state-aid street (MSAS) system but did not support the establishment of a metropolitan town road account in the county turnback account that would provide money to towns with a population over 10,000 that have taken county turnback highways. The Senate asked the House to approve the provision establishing a mid-town planning and coordination board to do planning for the Lake Street Corridor in Minneapolis. The proposal was approved by conferees.

Constitutional amendments gain

The Rules and Administration Committee met Weds., Mar. 18, to consider two bills proposing constitutional amendments. Both measures were advanced to the Senate floor with little debate. The first, H.F. 113, carried by Sen. Steven Morse (DFL-Dakota), proposes an amendment to the constitution that extends the dedication of lottery proceeds to the environment and natural resources trust fund until the year 2050 and provides for maximizing the long-term total return to the fund. An amendment was adopted that specifies that the amount appropriated each year

of a biennium may be up to 5 1/2 percent of the market value of the fund on June 30 one year before the start of the biennium. The bill was approved and advanced to the full Senate.

The second measure, S.F. 41, authored by Sen. Bob Lessard (DFL-Int'l. Falls), proposes an amendment to the constitution that affirms the right of citizens to fish, hunt, and take game in a safe, sustained-yield manner, subject only to reasonable restrictions related to harvest, licensure, seasons, limits, and methods, times, and locations of taking, as prescribed by law. Lessard said that the bill had been passed by the Senate last session but had not been acted upon by the other body. The measure was approved and advanced to the full Senate.

In other action, the committee, chaired by Sen. Roger D. Moe (DFL-Erskine), also approved a late bill for advancement to the full Senate. The bill, S.F. 3397, authored by Sen. Allan Spear (DFL-Mpls.), eliminates a retroactive application of an air carrier franchise exemption to pending litigation. Spear said that the bill was drafted after Legislators became aware that a retroactive exemption from the franchise law of agreements between air carriers enacted last year was being used as a defense in a lawsuit involving Northwest Airlines. Spear said, "There has been a strong tradition in the Legislature of not passing laws that affect pending law suits. Last year, the Legislature was told that the new law would not affect any current litigation, but that proved not to be the case." The bill, Spear said, is narrowly crafted to apply only to the litigation underway in Maine and all parties are in agreement. The measure was advanced to the full Senate.

Members also considered one additional bill but took no action on the measure. The bill, S.F. 2921, sets forth a process for organizing an equally divided house of the Legislature. Sen. John Hottinger, sponsor of the bill, said that the measure set forth one method of organization in the event the House of Representatives has a membership equally divided among political parties. The bill provides that the caucus of the part of which the governor is a member is to elect a speaker and other officers of the House and that all appointments to committees, commissions, and other

legislative bodies are to be made in equal numbers from each party. Senators pointed out that the last time the House of Representatives was equally divided, a system of organization was negotiated between parties that proved workable. Several members said that they preferred negotiation as a means of providing organization and as a result, no action was taken on the bill.

Tax conference begins

The conference committee on the omnibus tax bill held an initial meeting Tues., Mar. 17, to begin the process of resolving differences between the House and Senate versions of H.F. 3840.

The panel, chaired by Rep. Dee Long (DFL-Mpls.), devoted the first meeting to a section by section examination of an article of the bill relating to property tax reform. The most significant difference between the two measures in the area of property tax reform concern differing rates for various property classifications. In addition, the two bodies differ over another article of the measure containing a proposal by the House to provide two additional property tax rebates.

A second meeting Thurs., Mar. 19, chaired by Sen. Douglas Johnson (DFL-Tower), continued examination of the differences in the House and Senate omnibus tax bill.

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Committee update

Ad Hoc Information Technology

Computer competencies discussed

The Ad Hoc Committee on Information Technology, chaired by Sen. Steve Kelley (DFL-Hopkins), met Weds., Mar. 18, and received a report on establishing computer competencies for incoming higher education students. Representatives from the University of Minnesota, the Minnesota State Colleges and Universities (MnSCU), the Dept. of Children Families and Learning (CFL) and the Minnesota Education Telecommunications Council were on hand to discuss the report.

The report seeks to establish minimal computer skill competencies at various educational levels to prepare students to enter the workforce. Committee discussion frequently focused not only on the need for students to be proficient in computer skills, but also the teachers who instruct the students. Sen. Leonard Price (DFL-Woodbury) said that in addition to training, students need sufficient access to computer equipment to practice what they learn and become proficient. Price added that the need for practice applies to both students and faculty.

The committee will use the guidelines when considering appropriations to the various education systems in the state. Kelley said that one purpose of the committee is to bridge the technology needs between the various policy committees of the Senate, and define the competency levels for students at the various stages of their educational careers. The committee took no formal action on the report.

Agriculture and Rural Development

Agency appointments heard

The Agriculture and Rural Development Committee, chaired by Sen. Dallas Sams (DFL-Staples), met Fri., Mar. 13, and approved the governor's appointments to the Board of Animal Health and the Rural Finance Authority.

Mahesh Kumar was approved as a livestock producer member to the Board of Animal Health, the state board that carries out disease control programs for livestock and poultry. Kumar was

educated at Bihar University and the University of Minnesota, and is presently the director of veterinary services for a division of Jennie-O Foods.

A resident of St. Cloud, Kumar is one of three livestock producers on the board. The other two members of the five-member board are licensed veterinarians. All members of the board serve staggered four-year terms.

The committee also approved the reappointments of Marlene Malstrom and Armin Tesch to the Rural Finance Authority. Malstrom and Tesch, residents of Detroit Lakes and Waldorf, respectively, were first appointed in 1994.

The Rural Finance Authority develops the state's agricultural resources by extending credit on farm real estate security and depreciable agricultural property. Malstrom and Tesch are two of the six public members of the board. The other five members of the board are the agency heads of the departments of agriculture, commerce, finance, trade and economic development, and the state auditor.

Children, Families and Learning

Education appointments approved

The Children, Families and Learning Committee, chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls), approved the governor's recommended appointees to the Minnesota Higher Education Facilities Authority and the Board of Trustees of the Minnesota State Colleges and Universities (MnSCU) at a meeting Tues., Mar. 17.

J. Luther Anderson, executive director of the Minnesota Higher Education Facilities Authority, told members the authority is a state agency whose purpose is to provide tax-exempt financing through the issuance of bonds for the state's institutions of higher education, primarily for private colleges. Anderson spoke to the members on behalf of one of the governor's appointees, Jack Amundson, who was not present at the meeting. He said Amundson is seeking reappointment to his third term on the authority. Amundson is a resident of St. Cloud and a certified public accountant. He is a graduate of St. John's University in Collegeville, a former president of the St. John's Alumni Association, and has

been a member of several boards of higher education institutions.

Christopher Nelson is recommended by the governor for reappointment to a second term on the authority. Nelson told members he is a resident of St. Louis Park and an attorney in private practice, and was elected last fall to the St. Louis Park City Council. Nelson is a graduate of St. Olaf College in Northfield and the William Mitchell College of Law. The motion to recommend confirmation of the appointments of Amundson and Nelson was approved.

The members next considered the governor's three recommended appointees to the MnSCU Board of Trustees. Daniel Coborn, a resident of St. Cloud and chairman and CEO of Coborn, Incorporated, is recommended to represent the seventh congressional district on the board. Coborn is a graduate of St. John's University and a member of the St. Benedict's College Board of Trustees.

James Wafler is recommended for reappointment as an at-large member of the board. A resident of Little Canada and executive director of the Highway Construction Industry Council, Wafler graduated from St. Olaf College and received an M.A. and Ph.D. in Political Science from the University of Minnesota.

Charles Williams is also recommended for appointment as an at-large member of the board. Williams is a resident of White Bear Lake and a vice-president of EVTAC Mining in Eveleth. He is a graduate of the University of Wisconsin-Stout. The motion to recommend confirmation of the appointments of Coborn, Wafler and Williams was approved.

Commerce

Franchise law exemption heard

The Commerce Committee discussed two bills changing the franchise law exemption between air carriers Tues., Mar. 17. The committee, chaired by Sen. Sam Solon (DFL-Duluth) heard testimony from airline and court representatives regarding S.F. 3397 and S.F. 3399, carried by Sen. Allan Spear (DFL-Mpls.) and Sen. John Hottinger (DFL-Mankato), respectively.

Spear said S.F. 3397 is a very narrowly constructed bill that merely changes the

effective date of the retroactive franchise law exemption for air carriers. He said the impetus for the bill resulted from legislation passed last year that is presently affecting current litigation. Noting that the Senate has always attempted to avoid passing legislation affecting matters before the court, Spear said that information given last year gave members the understanding that the bill last year was merely a routine clarification of existing statute. Spear said that is not the case, and that the legislation passed last year is being used for a court case in Maine between Northwest Airlines and other regional carriers. S.F. 3397 changes the effective date of last year's bill, Spear said, so that the franchise law exemption for air carriers only applies to agreements entered into after the bill is passed.

S.F. 3399, authored by Sen. John Hottinger (DFL-Mankato), also makes changes to the same franchise law exemption. Hottinger said his bill repeals the exemption entirely, but would be amended to have the same language as Spear's before it left the committee to catch up with the House bill.

Representatives from Northwest Airlines, Northeast Express Regional Airlines and Precision Valley Aviation discussed the specifics of the court case, a bankruptcy case in Maine with disagreements over whether Northwest Airlines is held to franchise claims asserted by Northeast and Precision Valley.

Members of the committee stated that the issue before the panel was not to take sides in the case before the court, but to remove the language in the bill presently affecting the case. Sen. Deanna Wiener (DFL-Eagan) offered an amendment to S.F. 3397 that she said removes the retroactivity for any lawsuit. The amendment states that the franchise law exemption applies to all air carrier agreements regardless of the date of the agreement, except those agreements subject to pending litigation on the date of enactment.

The committee adopted the amendment, and then re-referred S.F. 3397 to the Committee on Rules and Administration with the recommendation to pass. The committee then moved to incorporate the language of S.F. 3397 as amended into S.F. 3399, and re-referred the bill to the Committee on Rules and Administration with the recommendation to pass.

Education Finance

Children's fund discussed

The Education Finance Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), met Thurs., Mar. 12, and discussed a bill proposing a constitutional amendment that would establish a children's endowment fund and maximize the long-term total return to the permanent school fund.

Sen. John Hottinger (DFL-Mankato) authored the bill, S.F. 2775, proposing the endowment fund and requiring that assets from the endowment fund be appropriated for enhancing the physical, emotional, and intellectual development of children through the age of six years. The bill allows money in the children's endowment fund to be spent for research on the development of young children's brains, for collection and analysis of information on the development of young children, and for enhancement of the public's understanding of activities that protect and stimulate young children's development. The bill also allows money from the fund to be spent for projects and programs that have demonstrated successful outcomes in improving the development of young children.

Hottinger said his original bill did not contain an appropriation for the children's endowment fund, but a one-time appropriation of \$50 million was added when the bill was approved by the Committee on Rules and Administration. The added provision puts the appropriation in reserve, to be invested on condition that the amendment is approved by voters in the 1998 election and a bill is enacted by the Legislature that defeases the necessary revenue bonds. The \$50-million appropriation is a one-time investment which can be supplemented in the future by the Legislature or by donations from private organizations and individuals, said Hottinger. He said the bill allows up to 5-1/2 percent of the market value of the children's endowment fund to be distributed each year of a biennium.

Sen. Martha Robertson (R-Minnetonka) said she supported the proposal of a children's endowment fund but expressed concern that there will not be enough money in the fund to serve its "laundry list" of purposes. She said she gets nervous about "grandiose expecta-

tions for limited dollars." Hottinger responded, "Of course this is a long-term vision and hopefully the fund will grow." Langseth said he was concerned that the \$50-million appropriation, distributed at 5-1/2 percent per year, would tie up a large amount of money for a small return. Hottinger said the bill offers a one-time investment that can have a long-term return on behalf of young children. "While there is \$1.9 billion budget surplus this year, we haven't been able to exert the commitment to give much of that to the youngest children," he said.

Sen. Cal Larson (R-Fergus Falls) asked Hottinger if gifts and donations to the children's endowment fund will be tax-deductible. Hottinger said he wasn't sure but that he understood the fund could be organized to receive tax-deductible donations. Larson said that if donations are not tax-deductible it is unlikely that many people will make a donation. Sen. Kenric Scheevel (R-Preston) said it seemed the proposal for a children's endowment fund was an attempt to make up for the lack of time parents spend with their young children. He said, "I'm not sure any-sized endowment fund can make up for the lack of time spent with children."

Hottinger told members that the Committee on Rules and Administration had also added a provision relating to the distribution of the permanent school fund, originally offered as a bill by Sen. Steven Morse (DFL-Dakota). Like the provision allowing distribution of up to 5-1/2 percent of the children's endowment fund, the permanent school fund provision allows up to 5-1/2 percent of the fund's market value to be distributed each year of a biennium. Morse's bill had also proposed an amendment changing the distribution of the permanent school fund.

The bill combines the children's endowment fund provision with the permanent school fund provision in a ballot question to be submitted to voters in the 1998 general election. The question is, "Shall the Minnesota Constitution be amended to create a permanent endowment fund to enhance the development of young children through the age of six and to maximize the long-term total return to the permanent school fund?"

Some members expressed concern that combining the two funds in one question

Committee update

will confuse voters. Robertson said voters might read the question to mean the children's endowment fund will be created by maximizing the long-term total return to the permanent school fund. Morse said it seemed to make sense to combine the amendment questions of the two bills in order to reduce the number of questions on the ballot. Sen. Dean Johnson (R-Willmar) said he was concerned that voters would not vote for an amendment they don't understand, and he encouraged simplification of the question.

Members agreed that the language of the bill needed more work before action could be taken. They agreed to meet again to consider the bill.

Endowment fund bill approved

The Education Finance Committee, chaired by Sen. Keith Langseth (DFL-Glyndon), approved an amended bill renaming the permanent school fund the children's endowment fund at a meeting Tues., Mar. 16.

Sen. John Hottinger (DFL-Mankato) authored S.F. 2775, a bill proposing an amendment to the state constitution that would establish an endowment fund for the development of children through the age of six. The bill, when it was approved by the Rules and Administration Committee, appropriated \$50 million to the endowment fund on the condition that the amendment is approved in the 1998 general election and the Legislature passes a bill enacting the necessary defeasance of revenue bonds. The bill also included provisions allowing the distribution of 5-1/2 percent of the market value of both the children's endowment fund and the permanent school fund each year of a biennium.

Hottinger and Langseth successfully offered an amendment renaming the permanent school fund the children's endowment fund and eliminating the one-time, \$50-million appropriation to the fund. The amended bill credits to the children's endowment fund all the funds which are currently credited to the permanent school fund. The bill allows money in the endowment fund to be spent on research, the collection and analysis of information, and the enhancement of public understanding of the development of young children.

The amendment changed the bill's proposed ballot question for the

constitutional amendment from, "Shall the Minnesota Constitution be amended to create a permanent endowment fund to enhance the development of young children through the age of six and to maximize the long-term total return to the permanent school fund?" to "Shall the Minnesota Constitution be amended to rename and devote the resources of the permanent school fund to enhancing development of young children through the age of six years?"

The bill, as amended, was approved and sent to the Senate floor.

Judiciary

Brucato confirmation gains

The Judiciary Committee, Tues., Mar. 17, recommended that the full Senate confirm the appointment of Cyndy Brucato to the Board on Judicial Standards.

Committee Chair Jane Ranum (DFL-Mpls.) opened the confirmation hearing to discussion of Brucato's qualifications and future goals for the Board on Judicial Standards. Ranum said the board's responsibilities are to review and investigate complaints of judges' conduct in possible violation of the Code of Judicial Conduct, impose discipline if appropriate, and educate the judiciary and the public on the role of the board. The 10-member board is comprised of one judge of the Court of Appeals, three trial judges, two lawyers who have practiced law in the state for 10 years, and four citizens.

Ranum posed a series of questions to Brucato, who has already served six months as an unpaid voluntary member of the board while awaiting confirmation. In response to Ranum's questions, Brucato said she would uphold the board's longstanding tradition of fairness and integrity. She said she took her responsibility seriously, recognized the need to do her homework to understand legal precedent and procedure, and viewed her appointment as a way to serve the people of Minnesota. Brucato said that as a former journalist and longtime observer of the public process, she will bring to the board a unique perspective on the balance between established legal precedent and shifting public standards.

Sen. Don Betzold (DFL-Fridley) asked how Brucato would reconcile her former life as a journalist with the need to

downplay, in some cases, complaints of a judge's misconduct or incompetence. Brucato responded that while she understood the need for discretion, she would work toward greater openness of the process to the public, particularly if a judge's transgressions are repeated over time. She added that the board is aware of its public accountability, even though judges may believe there is too much public involvement in the judicial standards review process. Sen. Allan Spear (DFL-Mpls.) said he agreed with Brucato on the need for greater public accountability and openness.

Sen. Richard Cohen (DFL-St. Paul) said Brucato had a reputation for being outspoken, particularly while she served as Gov. Arne Carlson's deputy chief of staff. He asked how she will reconcile her personal style with the need to deal with the sensitive and difficult issues before the board. Brucato said, "Participation in the partisan process does not rule out participation in the public process." She said that a majority of her controversial statements were appropriately made during the campaign, and pointed to the number of non-partisan policy statements she made during her tenure at the governor's office. She said her professional opinions and strategies are based on substantive knowledge, not on partisan politics. Brucato said she believed she could handle the nuances of issues before the board and said, "I assure you that I can only judge these matters by my own moral center and the information before me."

The committee then moved to recommend Brucato's confirmation.

Local and Metropolitan Government

Appointments approved

The Local and Metropolitan Government Committee, chaired by Sen. Jim Vickerman (DFL-Tracy) met Tues., Mar. 17, to take action on five appointments to various state posts. The next stop for the five appointees will be the Senate floor.

Peggy Moon was recommended by the committee for re-appointment to the Gambling Control Board for a term that expires in June, 2001. A Plymouth native and former member of the United States Air Force, Moon is currently

employed as a substance abuse coordinator for Park Nicollet and an industrial medicine coordinator at the Minneapolis office of Park Nicollet.

Sen. Pat Parriseau (R-Farmington) asked Moon for her views on what should be done with state gambling proceeds. Moon replied that money generated from gambling should whenever possible, be used to fund local organizations and charities. "The proceeds can be used to provide support for education, veterans, and communities in need," she said. Moon also told committee members that she felt gambling fraud is on the decline because of board's consistency with respect to levying fines and issuing licenses. "Gambling managers in the state are better informed than ever before," Moon said.

Vickerman said Moon has served on the gambling control board for the past four years and is seeking reappointment to continue the work she feels is important. Moon said she is very concerned with the effects gambling has on communities and that veterans need to be strongly represented on the board. Moon's nomination was approved and sent to the Senate floor.

The committee considered three appointments to the Minnesota Racing Commission. Vickerman said John Farrell, Richard Pemberton, and Cynthia Piper are the governor's nominees.

John Farrell, a resident of Waverly, said he has just completed a two year term on the racing commission and has been involved in the industry in one way or another since 1978. He said the racing commission does not tell the industry what to do but rather uses ideas that the industry brings to the table in an effort to ensure the success of Minnesota's race tracks in the future. "The commission's job is to make sure everyone operates on a level playing field and to change rules to ensure that the industry works within the financial constraints that exist," Farrell said.

Richard Krueger, executive director of the racing commission, said the three nominations were reappointments and that the three nominees had good attendance during previous service on the commission. He added that Pemberton, a Fergus Falls resident, is currently serving as the commission's chair.

Vickerman said that Piper, a resident of Hamel, and Pemberton were not able

to attend the committee hearing because of prior commitments, but he has had extensive conversations with both. "I am confident that if each member speaks with Pemberton and Piper they will find that both are qualified," Vickerman said. He added that the term of the three commissioners will be from July 1997 to June 2003. The three nominations were approved and sent to the Senate floor.

The final nomination before the committee was the appointment of James Wychor to the Metropolitan Council for a two year term. Wychor, a former chair of the Minnesota Broadcasters Association, said he has served as chair of the Okabena-Ocheda Watershed District for 14 years and as vice-chair of the Minnesota Water Resources Board for 4 years. He said the biggest challenge facing the Metropolitan Council is to improve public relations efforts. Wychor added that he has been working with the council's communications office to find innovative ways to educate people about the issues involved. Wychor's nomination was approved and sent to the Senate floor.

Rules and Administration

Transportation amendment gains

Members of the Rules and Administration Committee met Fri., Mar. 13, to discuss a bill proposing a constitutional amendment for transportation financing and to decide the fate of a number of bills that missed legislative deadlines.

S.F. 3046, carried by Sen. Carol Flynn (DFL-Mpls.), proposes a constitutional amendment to require that no less than 25 percent of the net proceeds from the motor vehicles sales tax be dedicated to the state's surface transportation needs. According to Flynn, the measure provides that the question be placed on the ballot for the 1998 general election. She said that currently, money from motor vehicle sales taxes are placed in the general fund and transit appropriations are made from the general fund. If the ballot question is approved, the sales tax funds will provide a source of funding for statewide transit needs, Flynn said. Sen. Keith Langseth (DFL-Glyndon) spoke for the bill. He said, "Transit has needed a source of funding; the passage of the amendment will provide a stable fund with growth in it for transit needs throughout the state." The committee

approved the measure and advanced it to the full Senate.

Committee members, chaired by Sen. Roger D. Moe (DFL-Erskine), also discussed several bills that missed the deadlines and were pulled into the committee by Joint Rule 2.03. Although a number of bills were before the committee, members decided that the deadlines set earlier in the session must be adhered to. As a result, only 3 out of the 21 measures before the panel were advanced to the full Senate. S.F. 2082, carried by Sen. Lawrence Pogemiller (DFL-Mpls.), is a recodification of the laws relating to education. S.F. 2130, sponsored by Sen. Leo Foley (DFL-Anoka), establishes a minimum definition of durable medical equipment and requires disclosure of covered medical equipment and supplies. S.F. 2555, authored by Sen. Steven Morse (DFL-Dakota), is the omnibus pensions bill and contains numerous individual bills relating to various public employee pension plans. All three measures were advanced to the Senate floor.

Conference Committees

Capital budget conference committee

Differences outlined

The Capital Budget Conference Committee held its first meeting Wed., Mar. 18, to reconcile differences between the House and Senate versions of H.F. 3843. The meeting was chaired by Rep. Henry Kalis (DFL-Walters).

Conferees were provided with a spreadsheet detailing funding provisions for both bills so members could have an overview of both bodies' provisions. The conference committee also compared language provisions in each of the bills and discussed whether the capital budget investments should be paid for using general fund money or government bonds. Kalis said the Senate bill totals \$954.2 million with \$815.9 of that paid from general fund dollars. He added that the House version totals \$ 945.3 million in expenditures and finances \$679.1 million with government bonds.

Members of the House and Senate committee staffs outlined differences in funding provisions in the two bills. Total capital investment spending for the

Committee update

University of Minnesota totals \$114.7 million in the House version and \$172.3 million in the Senate version. Differences include a Senate provision for construction of a molecular biology facility at a cost of \$61.5 million while the House does not contain a funding for the complex. The House bill includes \$35 million for design and renovation for the Walker Library while the Senate contains just \$1 million for the project.

Minnesota State Colleges and Universities receive \$123 million in the House version and the Senate version provides \$139.5 million. The Senate bill provides \$12.6 million in funding for an Inver Hills classroom building while the House bill allocates just \$250,000 for the project. The House bill contains \$7 million for a Mankato Technology Center, \$6 million for the Rochester University Center, and \$5 million for the Rochester Regional Sports Center whereas the Senate bill contains no funding for the projects. The Senate bill also includes \$3.2 million for the Century pedestrian bridge and \$4 million for student services facilities at Northland Community College. The House bill does not fund the projects.

The Dept. of Children Families and Learning (CFL) receives \$62.1 million in the Senate bill and \$49.2 million under House provisions. Major areas where the two bodies differ include \$7 million in House funding for a West Metro Magnet School while the Senate provides \$14.5 for the project. The Senate version contains \$13.2 million for a Southwest Metro Magnet School while the House bill has no funding. The Senate bill also includes \$9.7 million for a community schools partnership construction program. The House bill incorporates no such provision.

The House version includes \$1 million for school accessibility grants, \$1.5 million for a Mississippi River Education Center, \$2 million for library accessibility grants, and \$1 million for the McLeod West Interdistrict Co-op. The Senate version does not include funding for any of these programs.

The House bill includes \$10 million for a community center grant program but does not specify which centers are to be funded. Conversely, the Senate bill provides money for specific community center projects including \$1.5 million for the Lake Crystal Area Recreation

Center, \$1.5 for the Detroit Lakes Community Center, \$950,000 Granite Falls Community Center, \$700,000 for the Proctor Activity Center, and \$400,000 for the Hastings Water Park.

The Dept. of Natural Resources is appropriated \$119 million in the Senate bill and \$110.9 million in the House bill. The differences outlined in the meeting are that the House bill provides \$3.5 million for the Como Park Environmental Resource Center while the Senate bill spends \$500,000. The House also has \$3 million for Harriet Island in its bill but the Senate has no funds for the project. The largest discrepancy comes in funding for flood mitigation grants. The Senate provides \$38.2 million and the House appropriates \$15 million. The Senate bill also contains \$1.5 million for stream protection in the state while in the House bill it goes unfunded.

The House version includes \$8 million for metro greenways and natural areas and \$56 million for the Ramsey Mill Pond Wildlife Management Area. The Senate bill does not contain funding for the projects.

The Public Facilities Authority receives \$44.3 million in the Senate version and \$35 million in the House version. The main difference in the two proposals is the Senate's \$13 million expenditure for agriculture waste system loans. The House bill does not contain funding for the loans. Another difference is that the House provides \$3 million for the St. Peter Wastewater Treatment Center while the Senate bill does not provide any funding.

The Dept. of Administration receives almost the same amount in the Senate and House bills, but there are significant differences in the line item funding. The largest discrepancy is in the funding for the statewide capital asset preservation and restoration account which garners \$19 million in the House bill and \$15 million in the Senate bill. The House also funds \$3.3 million for real property acquisition for the department while the Senate bill does not contain money for the line items.

The Capital Area Architectural Planning Board receives \$9.4 million under Senate provisions and \$8.9 million in the House bill. The Senate provides \$150,000 for the Women's Suffrage Garden. Kalis said House funding for the garden is included in the state govern-

ment finance omnibus bill. The other difference is the funding for three proposed projects to improve security for the Capitol Mall. Kalis said the House provides \$400,000 for one project and the Senate bill includes \$854,000 for the remaining security projects.

The Amateur Sports Commission is appropriated \$9.2 million in the House bill while the Senate provided \$5.5 million in funding. The National Youth Sports Center receives \$1.2 million in the Senate bill and the House provides \$4.8 million in its bill. Kalis said the higher figure in the House bill is due to funding the center's youth golf course in Blaine. The House also funds the St. Paul Inner City Sports Center at a cost of \$3 million and the Senate funds the Mighty Ducks ice arena grant program for \$3.6 million.

The Dept. of Military Affairs receives \$1.8 million in appropriations from the Senate version and \$880,000 in the House bill. The Senate funds the department's asset preservation program with \$900,000 while the House does not contain any money for the program.

House and Senate positions include almost the same amount of money for the Dept. of Transportation. The Senate appropriates \$116.9 million and the House has \$115.6 million in its bill. The main difference in funding is that the Senate provides \$1.6 million for the Forest Highway 11 project. Sen. Keith Langseth (DFL-Glyndon) said the Senate's position allows the state to leverage \$5.1 million in federal money for the project.

The Department of Human Services receives \$19.1 million in the House bill and \$17.6 million in the Senate's version. There are three differences that account for the totals. The House provides \$2 million for the Aah-Gwah-Ching facility to remodel and install fire suppression system in several buildings and \$3 million for remodeling at the Windom Regional Treatment Center. The Senate bill includes \$4.6 million for system wide asset preservation for the department while the House figure is \$1.5 million.

The House bill includes \$22.5 million for the Dept. of Trade and Economic Development while the Senate bill appropriates \$9.7 million. The major difference in the two positions comes from the House appropriating \$20 million for direct iron reduction facilities

while the Senate appropriation for the same program is \$3 million.

The House bill includes \$199 million for grants to local communities for various projects. The Senate version totals \$115.1 million for grants. The House bill contains \$65 million for the St. Paul RiverCentre whereas the Senate does not provide any funding for the project. The House bill also contains \$10 million for the Duluth Convention Center contrasted with the Senate version that funds the project for \$5.3 million. The House provides \$14 million for the Humboldt Avenue Greenway, \$3 million for the Prairieland Expo Center, and Montevideo's downtown revitalization project at a cost of \$1.5 million. The Senate bill does not fund the programs but does provide \$2.6 million for the Red Lake Training Center.

The House bill offers double the funding of the Senate bill for the Minnesota Historical Society. The House version totals \$12.2 for projects including \$1 million for the Northwest Company Fur Post, St. Anthony Falls Heritage Center, and \$1.3 million for the Hubert H. Humphrey Museum. The Senate bill provides \$1 million for a Red River Valley Center that is not in the House bill.

Omnibus crime prevention bill

Comparisons begin

The Crime Prevention and Judiciary Conference Committee met Fri., Mar. 13, and Mon., Mar. 16, to review the House and Senate versions of the omnibus crime bill, S.F. 3345. The committee was chaired by Sen. Randy Kelly (DFL-St. Paul) and Rep. Mary Murphy (DFL-Hermantown).

The committee presented comparisons of the budget recommendations and policy positions of both bodies. The supplemental budget targets in both bodies matched closely with \$7.616 million in the Senate version (offset by \$3.5 million in revenue) and \$7.335 million in the House version (offset by \$3.335 million in revenue).

The Senate recommends appropriations in FY 1998 and 1999 of \$1.023 million for the Supreme Court versus \$1.060 in the House; \$264,000 for the Court of Appeals versus \$169,000; \$1.075

million for the District Courts versus \$1.216 million; \$100,000 in both bodies for the Board on Judicial Standards; \$30,000 for the Public Defender versus \$451,000; \$2.938 million for the Dept. of Corrections versus \$2.75 million; \$5,000 for public safety administrative and related services versus no dollars in the House version; \$60,000 for the Ombudsman for Corrections versus \$15,000; \$150,000 for emergency management versus \$198,000; \$329,000 for the Crime Victim Ombudsman versus \$125,000; \$170,000 in both bodies for the fire marshal's arson investigative database program; \$50,000 for the Bureau of Criminal Apprehension versus \$283,000; \$920,000 for law enforcement and community grants versus \$300,000; \$350,000 in the House version only for the Fair Housing Initiative; \$50,000 in the Senate version for Minnesota Board of Invention grants; and a Senate recommendation of \$200,000 for a bail study by the Dept. of Administration.

The committee reviewed articles in both versions of the omnibus bill dealing with general crime provisions, sex offenders, controlled substances, domestic abuse, sentencing provisions, pre-trial and conditional release provisions, courts and public defenders, corrections, and juveniles.

Committee members then adopted identical policy language and most of the similar language found in the House and Senate versions of the omnibus crime bill.

Negotiations continue

The members of the Crime Prevention and Judiciary Conference Committee met Tues., and Weds., Mar. 17 and 18, to continue reviewing the differences between House and Senate versions of S.F. 3345, the omnibus crime prevention and judiciary supplemental budget bill.

The committee, chaired by Sen. Randy Kelly (DFL-St. Paul), devoted the Tues., Mar. 17, meeting to discussing the funding provisions of the bill contained in Article I and the miscellaneous provisions of the bill contained in Article XI. The Senate version of the measure contains \$7.616 million in appropriations and the House version contains \$7.335 million in appropriations, however, the Senate version also provides for \$3.5 million in additional revenue and the House version provides for \$3.335

million in additional revenue.

Members also adopted provisions in Article XI that contained identical language for inclusion in the compromise conference committee report. Items that were adopted include language requiring the division of emergency management to provide coordination for a network of state, local and federal government agencies and private organizations to ensure coordination of donations and volunteers during major disasters. In addition, members adopted a provision creating an arson investigative data system. The panel also adopted language increasing the fee for reinstating a person's registration plate following license plate impoundment for repeat DWI offenses and for the issuance of special registration plates. In addition, both bills contain language specifying that one half of the fees from the sale or reinstatement of impounded license plates are to be credited to the general fund.

The Weds., Mar. 18, meeting, chaired by Rep. Mary Murphy (DFL-Hermantown), was devoted to gathering information on specific items and on consideration of a Senate proposal. Members heard from several witnesses about items contained in the bill. For instance, committee members discussed a proposal to create a center for applied research and policy analysis at Metro State University. The proposal is designed to provide better information in order to develop crime prevention policy, said Kelly. John Laux, executive director of the Peace Officer Standards and Training Board, said the POST Board and several law enforcement organizations had concerns about the proposal. Laux said the POST Board was concerned because the funds for the center are to be administered through the POST Board and that they were concerned it would become an ongoing funding item. Kelly responded that when the Metro State School of Law Enforcement was established there were three missions--providing for undergraduate and graduate education and for applied research. The center is the applied research portion of that mission, Kelly said.

Another item for discussion, the community right-to-know provision also sparked some discussion. The Senate bill limits the provision to the city of Minneapolis and provides funding to gather the

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data required in the bill. The House version does not contain funding.

Members also discussed funding for public defenders. Richard Sherman, state public defender, said that agreement has been reached that provides that after July 1, 1999 new employees in the Ramsey County Public Defenders Office will be state employees. Finally, members debated an appropriation for the Dept. of Corrections for construction of low income housing.

The final item before the panel was a presentation of a Senate proposal for a compromise bill. There were two major items of contention. The House version of the bill provides funding for increased bed impact; the Senate version does not. The Senate version of the bill does not provide further funding for the correction facility at Sauk Center because the omnibus bill passed last year requires the closing of the facility. The House version, on the other hand, provides funding for Sauk Center and keeps the facility open. Both issues are slated for further negotiation.

Omnibus economic development bill

Econ dev talks begin

The economic development omnibus supplemental appropriations bill conference committee held its initial meeting Mon., Mar. 16. Chief Senate Conferee Tracy Beckman (DFL-Bricelyn) said that he thought the committee could resolve the differences by the end of the week. The joint panel began the process by examining the differences and similarities between the two versions of the bill.

Conferees were given side-by-side comparisons of the two versions along with spreadsheets comparing the two sets of appropriations. Among the more significant differences are a \$200,000 Senate appropriation to the city of East Grand Forks for damages not covered by any other flood relief package. The appropriation is unmatched by the House.

The House appropriated \$200,000 to the Duluth Technology Center to develop software business opportunities in the area, and \$60,000 for the Chatfield Brass Band Music Lending Library. Chief House Conferee Steve Trimble (DFL-St. Paul) said the library is the only one in the country in possession of some of its

music, and the appropriation is to index their files and create a web site. The Senate made no corresponding appropriation.

Both bills contain appropriations to the Minnesota Film Board revolving loan fund, but the Senate provides \$710,000 while the House provides \$5 million. Included in the House appropriation is a stipulation that \$50,000 is for a grant for the Smithsonian Institute's production of a movie about the Mississippi River. Both bills appropriate \$90,000 to the Neighborhood Development Center, Inc., for ethnic-based entrepreneur training.

A pilot project to link four workforce centers to schools received \$200,000 from the Senate and \$50,000 more from the House. Sen. Steven Novak (DFL-New Brighton), a Senate conferee, said that last year's welfare reform legislation was tilted toward health and welfare, but this provision would tilt the state efforts toward job training.

Both the Senate and House appropriated \$10 million to address the problem of owners of federally subsidized affordable housing converting the development to market rate housing. However, the House also appropriated an additional \$4.1 million to address the need of affordable housing for workers.

The Housing Finance Agency (HFA) receives money from both bodies. The Senate appropriates \$23.57 million and the House appropriates \$19.975 million. Both bodies vary in their allocation of money to programs administered by the HFA.

The Senate measure includes a \$500,000 appropriation to the Center for Rural Policy and Development. Beckman said that one objective of the center is to study the feasibility of building convention centers in rural areas to attract smaller, regional conventions. Beckman said the center also needs to determine the saturation point of convention centers so that one Minnesota town won't take convention business away from another Minnesota town.

The House version provides \$1 million for a grant to any Minnesota city or town to provide incentives for construction of a soybean processing plant. Trimble said that Harvest States is looking for a new plant site, and the money is to help bring the facility to Minnesota. The Senate bill also contains the Uniform Un-

claimed Property Law that several other states have adopted. All totaled, the Senate appropriates \$16.573 million for the rest of the current biennium while the House appropriates \$15.215 for the same period.

Some agreement reached

The Economic Development Conference Committee began the task of selecting provisions to go into the compromise agreement at their Tues., Mar. 17, meeting. Rep. Steve Trimble (DFL-St. Paul) said that, for now, the joint panel will only select rider language and will wait to decide appropriation amounts for those programs. Trimble also said that the panel will first make decisions on provisions that are identical or very similar.

The committee first acted on the Neighborhood Development Center appropriation. Sen. Ellen Anderson (DFL-St. Paul) said that she preferred the House version because it makes the program permanent. However, Trimble urged members to be mindful of future obligations, or "tails," and moved that the panel adopt the Senate's one time appropriation. The motion was adopted. The panel also adopted a motion by Chief Senate Conferee Tracy Beckman (DFL-Bricelyn) to make a one time appropriation to pay off the debt of the World Trade Center Corporation.

The conferees adopted Senate language authorizing the State Services for the Blind (SSB) to update their broadcast system. The Senate language contains a provision requiring the SSB to consult with the Office of Technology on developing the system's digital infrastructure before proceeding. The committee also adopted a Senate provision giving an additional appropriation to the vocational rehabilitation program.

Four House provisions appropriating money for regional job analysis, alien labor certification, youth intervention programs and the Youthbuild program were also selected for the compromise agreement. Trimble said the alien labor certification program is to help alleviate the labor shortage. The panel opted for the Senate language appropriating money for the summer youth employment program because the appropriation is available upon enactment of the bill. Otherwise, the House language would not be effective until July 1, when the

summer is half over, according to John Olson of the Dept. of Economic Security (DES). Olson said that without the appropriation, the program will serve two-thirds fewer youth than were served last summer. Olson added that the program focuses on 14 and 15 year olds who are too young for regular jobs, but who need experience to develop job skills before they enter the workforce. Beckman commented that the program is a good place to invest in the future. He said that the problem with the welfare reform efforts is that many people don't have the "soft skills" to retain jobs, and this program addresses that need.

The panel also adopted provisions appropriating money for programs encouraging women to enter non-traditional careers and electronically linking departmental work force centers with local schools.

The committee also considered provisions relating to the Housing Finance Agency, opting to include the House provisions in the final document. Also adopted were appropriations to the Public Utilities Commission, the Dept. of Public Service, the Metropolitan Council, and the Indian Affairs Council.

The House provision for a healthy home pilot project was adopted. Lisa Peterson of the Minnesota Home Builders Association said that there is a lack of research on how to fix "sick" homes, and the pilot project addresses that problem.

The panel also adopted a provision, moved by Beckman, authorizing the Job Skills Partnership Board to develop on-the-job training programs. The programs may include English as second language training for skilled laborers who migrate to Minnesota, but who don't speak English. Rep. Mike Jaros (DFL-Duluth) said the provision was initiated by a consortium in Northeast Minnesota that can't find skilled laborers who speak English for available jobs. He said that there are immigrants from Belorussia and the Ukraine who possess the needed skills, but language is a barrier to employment.

The committee also discussed -- without resolution -- differences in the respective provisions for an appropriation to the Minnesota Film Board. Randy Adamsick, executive director of the board, said the appropriation is needed for a revolving loan fund to produce

movies in Minnesota. He said that the fund is needed because local lenders don't have the expertise needed for cinema production financing.

The panel engaged in a lengthy discussion on similar provisions requiring employers to provide to new employees a brochure explaining the employee's rights. Sen. Edward Oliver (R-Deephaven) said that he thought only a small fraction of employers are causing the problem, and didn't think the requirement was necessary. Sen. Ellen Anderson (DFL-St. Paul) said that the DES will produce the brochure and provide it to employers to handout. Anderson also pointed out that the difference between the House and Senate versions is that the House imposed a penalty for violations. Chicano-Latino People Affairs Council Director Margarita Zalamea said that the penalty is important where there are patterns of practice in violation of workplace regulations. Several committee members expressed concern that an employer may face a penalty for not providing the brochure when extenuating circumstances prevented them from doing so. Trimble suggested that the language be amended to allow, but not require, the DES to levy a penalty for violations. The committee took no immediate action on the provision.

More provisions adopted

The Economic Development Conference Committee continued their discussion and selection of provisions to go into the supplemental appropriations compromise agreement at a brief Weds., Mar. 18, meeting.

The panel adopted a House provision appropriating money to Advocating Change Together, Inc. to train people with developmental disabilities or mental illness. Also adopted was a provision authorizing reimbursement from the petroleum tank release fund for removal of gasoline storage tanks from business establishments that no longer operate as gas stations. Sen. Steven Novak (DFL-New Brighton), sponsor of the provision, said the program has been very successful and is nearing completion. He said that the provision is needed to provide liability protection to subsequent owners of a facility from the cost of a catastrophe clean up.

The committee also adopted an amendment, offered by Sen. Edward Oliver (R-Deephaven), that transfers \$6.5 million in bonding authority from the Housing Finance Agency to the city of Minnetonka. Oliver said the amendment allows Minnetonka to purchase some federal Section 8 housing that is up for private sale. He added that Minnetonka considers the housing development to be a valuable asset and wants to keep it in their community.

Environment and agriculture omnibus bill

Initial bill discussions begin

The Environment and Agriculture Conference Committee, co-chaired by Sen. Steven Morse (DFL-Dakota) and Rep. Tom Osthoff (DFL-St. Paul), met Mon., Mar. 16, to begin discussions on the differences between the omnibus environment and agriculture supplemental budget bills.

Morse said the initial meeting would be used to present side-by-side comparisons of the omnibus bills. He said that the Senate bill appropriates roughly \$19.5 million and the House bill appropriates just over \$15 million, noting that there was only \$4 million in common between the bills. "If we were to do everything in the two bills, we would need \$30 million. What that means is that we're going to have to do some significant reductions from each bill," said Morse.

Appropriations in the bills are allocated largely to the Pollution Control Agency (PCA), the Minnesota Zoo, the DNR, the Board of Water and Soil Resources (BWSR), and the Dept. of Agriculture. With a total appropriation of \$19.5 million, the Senate bill allocates \$1.48 million to the Pollution Control Agency for the FY 98-99 biennium. The funds are to be used for a number of programs, including \$400,000 for county feedlot grants, \$50,000 for a fish research grant, and \$180,000 for wastewater infrastructure funding (WIF) administration. Other appropriations to the PCA include \$50,000 for a cost-benefit analysis of rules, \$500,000 for investigating frog deformities, and \$300,000 for the expansion of permitting activities under the federal clean water act.

The House bill allocates a total of \$1.375 million for the PCA for the FY

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98-99 biennium. Like the Senate bill, the House bill allocates \$50,000 for a cost-benefit analysis of rules. Other appropriations include \$750,000 for individual sewage treatment grants to local units of government, \$375,000 for the frog deformity investigation, and \$200,000 for lake monitoring, assessment, and analysis.

For the Minnesota Zoo, the House bill allocates a total of \$500,000 for the FY98-99 biennium, whereas the Senate bill allocates \$1.5 million for the biennium.

For FY 98-99 appropriations to the DNR, the Senate bill allocates a total of \$8.531 million, and the House bill allocates a total of \$8.199 million. Whereas the Senate bill funds 18 DNR projects, the House bill funds 29. Appropriations in the Senate bill significantly over the House appropriations include \$1.6 million for flood hazard mitigation, \$2.14 million for a number of wildlife improvement projects, and \$1 million for enhancing customer service through technology. Some of the areas funded by the House, for which the Senate has no matching appropriation, include the Swan Lake wildlife management area, the Sauk dam, a whitewater trail on the Mississippi, a drainage system in Linwood, forest land repair, lake ecosystem monitoring, lake classification, an aquatic plant manual, and the Forest Resources Council.

BWSR appropriations for the FY 98-99 biennium total \$4.33 million in the Senate bill, and \$2.96 million in the House bill. The Senate allocates \$1.7 million for RIM program administration, \$630,000 for local government road repair, and \$2 million for dairy water quality grants. The House bill allocates \$200,000 for the Quad Lakes restoration project, \$1 million for shoreland and watershed best management practices, \$1.46 million for local water planning grants, \$200,000 for MN Extension Planning guidance, and \$100,000 for tree plantings serving as snow fences.

Monies allocated to the Dept. of Agriculture for the FY 98-99 biennium total \$3.955 million in the Senate bill and \$1.04 million in the House bill. The Senate appropriates \$360,000 for gypsy moth response initiatives, \$350,000 for a state meat inspection program, \$75,000 for a farmer's market nutritional program, \$25,000 for livestock depredation

payments to farmers, \$150,000 for milk market litigation costs, and \$2 million for dairy diagnostics programming. The Senate bill also allocates \$200,000 for the value-added agricultural product revolving fund, \$535,000 for the Minnesota Grown pilot program, \$160,000 for value-added agricultural product processing and marketing grants, \$25,000 for the Passing on the Farm Center, \$50,000 to study low-cost alternatives to cider pasteurization, and \$25,000 for a wolf depredation study.

Like the Senate, the House allocates \$75,000 for a farmer's market nutrition program. The House also appropriates \$265,000 for gypsy moth response initiatives, \$50,000 for beaver damage grants, \$100,000 for milk market litigation, \$250,000 for a swine genetics initiative, \$50,000 for the Passing on the Farm Center, and \$250,000 for farm manure technology grants.

Bill discussion continues

The Environment and Agriculture Supplemental Appropriations Conference Committee, co-chaired by Sen. Steven Morse (DFL-Dakota) and Rep. Tom Osthoff (DFL-St. Paul) met Tues., Mar. 17, to clarify some of the House provisions for which there is no Senate counterpart, and approve some of the items in the bills with similar language.

Dealing with the similar language items, a number of motions were approved by the committee. Osthoff made the motion to approve the Senate language regarding individual sewage treatment systems. He also made the motion to approve the Senate language regarding flood hazard mitigation, but change the amounts appropriated to \$150,000, midway between the House and Senate allocations. Morse made the motion to approve the House language for the aggregate resources task force, which is to be created to examine current and projected issues concerning the need for and use of the state's aggregate resources. Morse also made the motion to approve the House language for the establishment of a mineral coordinating committee, to be established to plan for diversified mineral development.

Gaylen Reetz, with the Pollution Control Agency, presented information on the Heritage Lakes initiatives in the House bill. Part of the governor's budget recommendations, the Heritage Lakes

initiatives promote community-based lake protection through watershed management, provide baseline information on lake trends, measure the status of water quality, and provide education and awareness on lake quality and lake management to the public.

Various portions of the governor's Heritage Lakes request have been funded by the House. The provisions include \$1 million for shoreland and watershed best management practices cost-share programs, \$200,000 for aquatic plant lake landscaping, \$1.46 million in grants to counties and local water planning agencies for lake assessment activities, \$200,000 for technical assistance to counties and local water planning authorities for lake monitoring, assessment and analysis, and \$300,000 for long-term monitoring of trends in minimally impacted lakes. Other provisions include \$200,000 for lake classification system development, \$500,000 for geographic information systems development of lake data, \$300,000 to assess the cumulative impacts on lakes, \$200,000 to improve existing U of M extension shoreland guidebooks, and \$200,000 to develop an aquatic plant identification guide.

Other presentations to the committee provided information on the trail bridge over Hwy. 36, personal watercraft provisions, protection of Brown's Creek in Washington County, surface water drainage systems for Linwood Township in Anoka County, sediment removal along the Mississippi River in Little Falls, DNR forestry information systems, Swede Hollow Park, grants for tree plantings to be used as snow fences, and the Quad Lakes in Faribault and Blue Earth Counties.

Feedlot discussion begins

Initial discussion on feedlot issues began Weds., Mar. 18, in the Environment and Agriculture Conference Committee, co-chaired by Sen. Steven Morse (DFL-Dakota) and Rep. Tom Osthoff (DFL-St. Paul).

Sen. Steve Dille (R-Dassel) discussed some of the shortcomings found in present animal unit calculations used by various agencies, and presented a spreadsheet comparison of the calculations used by the Natural Resources Conservation Service, the Pollution Control Agency, and the Environmental

Protection Agency. Dille said that many of the calculations need to be refigured to more accurately reflect the proper animal unit equivalents.

Dille also presented a letter from a U of M extension engineer questioning the methods used to calculate animal unit equivalents, and noting that nutrients, body weight, and volume of manure produced are not good indicators of air or water quality impact.

Rep. Doug Peterson (DFL-Madison) said that Dille's position essentially concentrates the animal units even further than they are now. "That's not the direction we want to go," said Peterson. He said the feedlot discussion should be centered around making the environment safe in rural Minnesota, and making sure rural residents have safe drinking water supplies. He said that he was not able to understand how more manure could be wanted in areas of the state which already have to transport it elsewhere.

"Minnesota is definitely manure-deficient," replied Dille. He said that Minnesota only produces 20 percent of the manure it needs, and is importing the rest from other states.

Dave Nelson, with the Pollution Control Agency, said that the animal unit calculations suggested by Dille would change when an environmental review is required, drastically reducing the number of environmental review worksheets completed. Nelson said that it makes better sense to stick with the current numbers for the basis of clarity, since they are in line with federal numbers.

The committee adopted a compromise amendment clarifying the appointment process for the Indian Affairs Council, and approved a number of noncontroversial language items. Items approved include House language for the extension of an LCMR project monitoring and researching endocrine-disrupting chemicals, Senate language for the usage of snowmobile sticker funds, Senate language for wolf reward payments, and House language for sewage systems inspection criteria.

Presentations were given on various initiatives in both bills, including the Dairy Diagnostics and Minnesota Grown programs in the Senate bill, and the Market Champ and DNR internet programs in the House bill.

Early childhood omnibus bill

Omnibus bill discussed

The Family and Early Childhood Education Conference Committee met Mon., Mar. 16, to begin discussion of the family and early childhood education omnibus bill, S.F. 2532. The conference committee was chaired by Rep. Tony Kinkel (DFL-Park Rapids) and Sen. Pat Piper (DFL-Austin).

The House and Senate versions of the omnibus bill differ primarily in the allocation of funding for the Basic Sliding Fee Child Care, Head Start Infant, and Temporary Assistance to Needy Families (TANF) programs. For example, the Senate version appropriates \$2.75 million to Head Start while the House version appropriates no dollars to the program. Both bodies allocate the governor's recommendation of \$5 million to TANF, but the House and Senate versions differ in how those funds will be distributed within the program. Kinkel suggested that the committee confer with state agencies to determine their recommendations for designation of TANF funds.

Under TANF, the Senate allocates \$3.5 million to the child care development program while both bodies give \$1.5 million to the child care data management program. The House also allocates \$1 million to non-standard hour child care, \$1.1 million to quality improvement grants, \$500,000 to school age care cooperation programs, \$150,000 to multicultural assistance, \$150,000 to preclicensing assistance, \$300,000 to business practices assistance, and \$300,000 to loan forgiveness grants. Lastly, the Senate version allocates \$250,000 to a lead abatement program while the House allocates \$150,000 in FY 1998.

The House version also provides a dependent care tax credit for families with up to \$2,400 in qualifying child care expenses for one child and \$4,800 for two or more children, and whose income is below \$30,080. The Senate version instead allocates child care money to the basic sliding fee program.

Piper also pointed to differences in the House's \$875,000 appropriation for the Assets for Independence program, which allows families to establish a savings account to fund education and home repairs, and provides matching grants from private, state, and federal sources. She noted that the Senate version of the

same program differed significantly from the House version. The Senate version provides no state funding, but allows for private matching grants and the possibility of leveraging federal dollars. Moreover, Piper said the Senate version is included in the omnibus economic development bill, not the family and early childhood omnibus bill.

On the policy side, Rep. Mary Jo McGuire (DFL-Falcon Heights) pointed out that the House version distinguishes between school-age care--such as after school programs for older children-- and school-age child care, or day care. McGuire said she prefers that the final bill be consistent in the use of these terms.

The committee chairs also agreed to compile into a committee report the identical and similar policy language in both bills for later discussion.

More on omnibus bill

The Family and Early Childhood Education Conference Committee continued discussion, Tues., Mar. 17, on the family and early childhood education omnibus bill, S.F. 2532. The committee, chaired by Rep. Tony Kinkel (DFL-Falcon Heights) and Sen. Pat Piper (DFL-Austin), debated the merits of two separate programs funded in the House and Senate versions of the omnibus bill.

The House version provides for a dependent care tax credit for families with up to \$2,400 in qualifying child care expenses for one child and \$4,800 for two or more children, and whose adjusted gross income is below \$30,080. The House tax credit is estimated to serve 39,220 participants with a total state expenditure of \$13.45 million. The average family benefit for tax year 1998 is estimated at \$327.

The Senate version instead allocates \$10 million child care money to the basic sliding fee program, while the House version allocates no dollars to the program. According to Piper, Senate funding is designed primarily to reduce the waiting list for the program by two-thirds--from 3,207 families to 957 families, or approximately 4,000 more children. Senate appropriations for the program reach an estimated 14,793 participants with an average family benefit of \$3,900. The total state expenditure for FY 1998 is \$41.75 million which is supplemented by \$16.74 million from federal child care development funds and

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\$2.914 million from the counties.

Rep. Nora Slawik (DFL-Maplewood) said that while she understands the importance of the basic sliding fee program, she said she was concerned that the waiting list will always continue to rise with funding increases. Kinkel added that the Legislature already approved appropriations last year which were designed to reduce the waiting lists to zero. He asked the Dept. of Children, Families and Learning to explain why last year's projections were faulty. Barbara Yates, assistant commissioner, and Cherie Kotilinek, child care assistance, said waiting list calculations were very complex and dependent on many variables including the health of the economy, reductions in welfare rolls, and increases in funding. Yates said that a 10 percent reduction in welfare rolls caused by last year's welfare-to-work reform program had created greater increases in waiting lists than expected.

Piper said committee members should consider society's responsibility to support families who need child care. She said her hope is that some day child care programs will be funded to the same extent as primary education and cited statistics that Minnesota has more women in the work force than any other state in the nation. Piper said, "We have a responsibility to fund the basic sliding fee program in this committee. We do not know what will happen in the next few years, but as long as wages do not adequately cover child care costs, it is our job to provide care for the littlest folk in our society."

Rep. Barb Sykora (R-Excelsior) said that she believes the dependent child care tax credit serves that purpose by allowing families greater discretion to use the extra income to allow a parent to stay home, for example. She said the state's responsibility to children should not necessarily focus only on day care programs, but should also recognize the vital role of stay-at-home parents. She said she believes the basic sliding fee program will never shrink to zero.

Committee staff presented two amendments that incorporated identical and similar policy language in the House and Senate versions of the omnibus bill. The committee then adopted the amendments and approved a motion to incorporate them into the conference committee report.

Senate offer on omnibus bill

The Family and Early Childhood Education Conference Committee met briefly Wed., Mar. 18, to hear Senate policy positions and appropriations recommendations for the final version of the family and early childhood education omnibus bill, S.F. 2532. The conference committee was chaired by Rep. Tony Kinkel (DFL-Park Rapids) and Sen. Pat Piper (DFL-Austin).

The House and Senate versions of the omnibus bill differ primarily in the allocation of funding for the Basic Sliding Fee Child Care, Head Start Infant, Temporary Assistance to Needy Families (TANF), and the Dependent Care Tax Credit programs. Senate funding recommendations for FY 1998 and 1999 include \$2.5 million for Head Start (versus no dollars in the House version), \$100,000 in Gang Prevention Grants, \$250,000 for a lead abatement program, \$1 million for emergency services, \$150,000 for the Assets for Independence program (versus \$875,000 in the House version), \$1 million for transitional housing, \$9.85 million for the basic sliding fee program (versus no dollars in the House), \$6.823 million in the Temporary Assistance to Needy Families (TANF) and Minnesota Family Investment Program child care programs (the original offers of the governor and both bodies), \$1.5 million to the TANF transfer child care data management program, and \$3.25 million to the child care development program.

The Senate version allocates no funding to the dependent care tax credit for families whose adjusted gross income is below \$30,080. Rep. Nora Slawik (DFL-Maplewood) said she was disappointed that tax credits did not appear in the Senate offer. Piper said, "I have thrown down the gauntlet to send the message that we will not allocate scarce dollars to tax credits in this funding committee."

Barb Yates, assistant commissioner, and Cherie Kotilinek, Dept. of Children, Families and Learning (CFL) then fielded questions from committee members regarding the complexities of basic sliding fee waiting lists. House members were concerned that current and future appropriations will not meet waiting list reduction targets. Piper said she had assurances from the department that they will manage the waiting list issue using best management practices and program

attrition rates until the Legislature addresses the appropriations issue again during next year's regular budget cycle.

On the policy side, key issues in the Senate offer were to expand TANF eligibility by eliminating three months of TANF participation, adopt the House's safeguards regarding direct payments to legal nonlicensed day care providers if parents receive direct child care assistance, adopt the Senate's definition of school-age child care, delete the House's multicultural outreach program, include a House provision that the CFL establish a program to develop family child care during nonstandard work hours, adopt a modified, scaled-down version of the House's assets for independence program, and establish a grant program for gang prevention and intervention programs. The committee agreed to meet later to discuss the House counter-offer to the Senate's recommendations.

State government omnibus bill

Bill debated

Members of the conference committee on the omnibus state government supplemental appropriations bill, S.F. 3354, met Mon., Mar. 16, to reconcile differences between Senate and House versions of the bill. Rep. Tom Rukavina (DFL-Virginia) chaired the meeting. Panel members devoted the entire meeting to discussing language differences in the two measures and adopted several amendments.

Members adopted the House language relating to state agency expenditures of federal funds. Under the language adopted, a state agency may not expend money received by it under federal law for any purpose unless a request to spend federal money from that source for that purpose in that fiscal year has been submitted by the governor to the Legislature as a part of a budget request submitted during or with ten days before the start of a regular Legislative session. The language also specifies that twenty days after a governor's budget request that includes a request to spend federal money is submitted to the Legislature, a state agency may expend money included in that request unless, within the 20-day period, a member of the Legislative Advisory Commission requests further

review. If a further review is requested, the agency may not expend the federal funds until the request has been satisfied and withdraw, the expenditure is approved in law, or the regular session of the Legislature is adjourned.

Members also adopted language relating to state agency performance reports. The compromise reached by the panel specifies that the report to the Legislature on the performance and the accomplishment of agency goals be included in the agency's biennial budget and outlines the information that the budget must include. In addition, the panel adopted House language requiring separate reports in some instances.

The panel also agreed to adopt language, submitted by Sen. Leonard Price (DFL-Woodbury), requiring information technology recommendations be included in the governor's budget recommendations along with explanations of how budget requests of several agencies collaborating on a project relate to each other. The timing of the submission of the budget by the governor was also agreed to by conferees. In addition, conferees adopted language relating to the transfer of workers' compensation judges from the Dept. of Labor and Industry to the Office of Administrative Hearings. Members also adopted an amendment, offered by Sen. Jim Metzen (DFL-South St. Paul), specifying that the seniority of a workers' compensation judge at the Office of Administrative Hearings, after the transfer, shall be based on the total length of service as a judge at either agency.

The conferees also discussed, but took no action on, an amendment, offered by Rukavina, to prohibit the Dept. of Administration from adopting any rules changing the Minnesota Uniform Mechanical Code before June 30, 1999. Rukavina said the amendment was designed to slow down a process because some stakeholders feel they have not had adequate input into the rulemaking process. The amendment was withdrawn to allow time for further discussions.

Differences outlined

The conference committee for S.F. 3354, the state government supplemental budget bill held its third hearing Tues., Mar. 17. The conferees worked throughout the meeting to reconcile differences between the Senate and House versions

of the omnibus governmental operations bill. Sen. Leonard Price (DFL-Woodbury), chaired the meeting that focused on funding and language provisions in the bill.

Conferees adopted Senate language allowing the attorney general or commissioner of finance to bring a conciliation court action where the cause of action arose or where the debtor resides. The language states that before bringing a conciliation court action for a claim of \$2,500 or less in any county other than where the debtor resides or where the cause of action arose, the commissioner or the attorney general must send a form by first class mail to the debtor's last known address notifying the debtor of the intent to bring an action in Ramsey County. Price added that there must also be a form enclosed to allow the debtor to request that the action not be brought in Ramsey County. The language also specifies that no court filing, docking fees, release of judgement fees, or any other fees or costs for court services may be assessed against the state for actions filed.

Members agreed to include House language relating to state employees ability to receive cash payments for accrued leave time. Currently, an employee is permitted to receive payment for accumulated hours upon beginning an unpaid leave of absence approved for a duration of more than one year. The new language permits an employee to receive payment for accumulated vacation leave upon layoff from state employment.

The panel also agreed to adopt several funding provisions that are the same in both the Senate and House bills. Conferees voted to include \$100,000 to modify the state's voter registration system, \$20,000 to commission a portrait of Gov. Arne Carlson, \$80,000 for the Census 2000 promotion project, \$1.2 million for the Year 2000 project, \$731,000 for the Minnesota Collection Enterprise, \$307,000 for the Dept. of Finance to provide insurance eligibility for part-time state workers, and \$700,000 for the Minnesota State Retirement System to provide for a contribution transfer.

As part of the agreement on funding provisions the conferees included House language to expand the Minnesota Collection Enterprise's staff in Ely and to allow the enterprise to spend additional resources on information technology.

The conferees also discussed, but took no action on, an amendment, offered by Rep. Tom Rukavina (DFL-Virginia), to include House language in the final bill to commission a portrait of former governor Rudy and Lola Perpich. Rukavina said the language for the portrait does not contain a corresponding funding provision. Members also discussed the appropriation level for the Attorney General's Office. Rukavina argued that the governor has made clear that he may veto the bill if it contains \$24 million for the Attorney General's Office and that the committee should agree on a funding level that the governor will sign into law. Tom Triplett, of the Attorney General's Office, defended the proposed funding request as necessary because of increased responsibilities placed on the attorney general. He added that if the attorney general does not receive funding to carry out its duties, programs such as providing assistance to local prosecutors on large cases could be cut back or eliminated.

At their Wed., Mar. 18 meeting, conferees agreed to adopt Senate language from S.F. 2752, authored by Sen. Deanna Wiener (DFL-Eagan). The language establishes the Construction Codes Advisory Council and defines the council's membership. The language stipulates that the council shall review laws, codes, rules, standards, and licensing requirements relating to building construction.

Higher ed omnibus bill

MnSCU, Revenue heard

The Higher Education Supplemental Appropriations Conference Committee, co-chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls) and Rep. Gene Pelowski (DFL-Winona), met Tues., Mar. 17, to hear presentations on a number of issues.

Rep. Joe Opatz (DFL-St. Cloud) discussed the allocation formulas used for higher education institutions. He presented information on various university, technical, and community college total appropriations, the per student funding for each institution, and the difference in the funding from the system average.

Language in the House bill appropriates \$21.5 million to reduce the funding variances per full year equivalent student among MnSCU institutions of the same type.

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John Haugen, from the Dept. of Revenue, presented information on the individual income tax credit for higher education tuition. Haugen said the revenue analysis for the cost of the tax credit is \$6.9 million for the FY 98-99 biennium. The cost for the next biennium is estimated to be \$14.1 million, said Haugen, noting that the cost for the program would increase as the participation increased. Language in the House bill provides an income tax credit for new high school graduates or their families, of up to \$500 per year, for the cost of the student's tuition.

MnSCU Chancellor Morris Anderson discussed various provisions in both the Senate and House bill. He presented the committee with new proposed rider language combining student initiatives and equipment provisions, and outlined some of the language differences found in the bills.

Dept. of Children, Families, and Learning Commissioner Robert Wedl told the committee that a number of children get done with their high school education and haven't decided what to pursue afterward. "I think we have to look at things differently. We used to think that we'd wait until grade 12, then would start something after that," said Wedl. He said that children need to begin their postsecondary experience while they are still in high school.

K-12 ed omnibus bill

Omnibus bills compared

The K-12 Education Conference Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Becky Kelso (DFL-Shakopee), compared House and Senate versions of the K-12 omnibus education bill at meetings Mon., Mar. 16, Tues., Mar. 17, and Weds., Mar. 18.

The Senate version, S.F. 3378, contains provisions eliminating the State Board of Education and transferring most of its responsibilities to the commissioner of children, families, and learning. The House version, H.F. 2874, contains no comparable provisions.

The House version directs the commissioner of children, families and learning to develop and disseminate to school districts a uniform method for school districts to use in measuring and reporting student performance on the profile of learning graduation requirements

beginning with the 1999-2000 school year. The House version also requires school districts to implement the state's profile of learning for the 1998-1999 school year. The Senate version contains no comparable provisions.

The Senate bill appropriates \$66.708 million to K-12 education spending in the FY 98-99 biennium, while the House bill appropriates \$128.993 million for the biennium. The House version appropriates \$59 million in one-time state aid in FY 99 for school technology purposes, but there is no appropriation on the Senate side. The House version also appropriates \$54.511 million for graduation standards implementation revenue in FY 99. The Senate version increases the appropriation for first grade preparedness programs by \$5 million in FY 99, while the House version increases it by \$500,000. The Senate version appropriates \$500,000 in FY 99 for the collaborative urban educator program, while the House version appropriates \$150,000.

Both versions contain similar provisions regarding changes in special education policies but provide aid for school districts' special education litigation costs somewhat differently. The Senate version uses state aid to reimburse school districts for 70 percent of due process hearing costs for an amount up to \$10 per pupil unit, and excludes legal or attorney fees. The House version first makes federal funds available to school districts for due process hearing costs, excluding legal or attorney fees, and then makes state aid available for 50 percent of other costs not otherwise covered, including legal or attorney fees.

Both versions carry over the appropriation for losses to school districts as a result of the 1997 floods. The Senate version extends provisions, for one year, providing alternate pupil counts for school buildings closed due to the floods and extends the declining pupil unit aid for flood districts for one more year. The House version contains no comparable provision. The committee plans to continue their discussions.

Transportation omnibus bill

Appropriations bills compared

The Transportation Conference Committee, chaired by Sen. Janet Johnson (DFL-North Branch) and Rep. Bernie Lieder (DFL-Crookston), com-

pared the House and Senate versions of the transportation supplemental appropriations bill at a meeting Weds., Mar. 11. The House version appropriates over \$7 million more than the Senate version for transportation spending. While the Senate version appropriates \$40.961 million to the Department of Transportation (MnDOT) and \$4.191 million to the Department of Public Safety (DPS), the House appropriates \$46.861 million to MnDOT and \$5.830 million to DPS.

Both versions appropriate \$294,000 to the State Patrol to increase Capitol Security staff in the new Revenue Building. However, the House version includes a provision that allows the State Patrol to apply some of the appropriation toward increasing the flight time of its patrol helicopters. The Senate version does not include the provision. Lieder said there had been a bill in the House, but not in the Senate, appropriating \$199,000 for the helicopter patrol. He said the House committee decided to leave it up to the State Patrol how to spend the appropriation. Maj. Gene Halverson of the State Patrol said that using some of the appropriation for the helicopter patrol would put a hole in Capitol Security staffing for the new Revenue Building. Capt. Patrick Chase of Capitol Security said, "I could not fund what I feel comfortable with for security in the Revenue Building if I lost \$100,000 of the appropriation." Halverson said, "If we get the \$294,000 I suspect we will not put the helicopter up because there needs to be security in the building."

The House version's appropriation to the DPS includes \$4.557 million from the trunk highway fund to the State Patrol for 40 additional state troopers and support staff. The Senate version appropriates \$2.918 million for 25 more troopers and support staff. The House version also appropriates \$5 million more than the Senate version to MnDOT for state road construction, and \$900,000 more for design and construction engineering.

The second article of the House bill is not contained in the Senate version but most of its provisions are included in S.F. 2664, which is pending in the Transportation Committee. The article includes provisions setting out annual transportation spending goals and requires at least 60 percent of trunk highway funds each

year to be used for construction and reconstruction of trunk highways. The article also includes provisions requiring MnDOT to submit a plan each biennium for recommended general fund expenditures for state trunk highways and public transit.

The third article of both the House and Senate versions include a provision distributing five percent of the highway user trust fund to the county state-aid fund to be put into a flexible account. In the Senate version, the entire flexible account is for county and city turnbacks and for regular trunk highway projects. The House version also requires a portion of the flexible account to go to the metropolitan town road account which it establishes in the county turnback account to provide funds to towns over 10,000 that have taken county turnback highways. Comparable provisions are included in S.F. 2109, pending in the Transportation Committee. The House version includes a provision regarding the municipal state-aid street (MSAS) mileage system that the Senate version does not. The provision allows a city to include all the miles of the former county roads turned back to city jurisdiction after May 11, 1994, when it determines its total mileage of city streets for calculation of the 20 percent of the mileage that may be included in its MSAS system.

Friday March 13

Variety of bills passed

The Senate devoted much of the session Fri., Mar. 13, to bills on Special Orders and the Calendar. A number of bills were granted final passage under special orders.

H.F. 3644, carried by Sen. Roger Moe (DFL-Erskine), relates to telecommunications. The bill modifies voting requirements for extended service within combined school districts. Moe successfully offered an amendment that he said changes the criteria for the petitioning process to the Public Utilities Commission if the majority of customers voting concur. The bill passed 61-0.

S.F. 2627, also carried by Moe, allows certain payments in lieu of taxes to be used for road maintenance in unorganized townships. Moe said the bill will help an unorganized township near Itasca State Park with road repairs. Moe said the

county, which had been subsidizing the repair, was told it could not help the unorganized township with the road repairs. He said that there were a total of 14 unorganized townships that might be affected by the bill. The bill passed 60-0.

A number of amendments were offered to S.F. 2631 before it was granted final passage. The bill, authored by Sen. Linda Berglin (DFL-Mpls.), modifies provisions relating to the Minnesota family investment program-statewide (MFIP-S) and amends local service unit plans. Two amendments, offered by Sen. Sheila Kiscaden (R-Rochester), were both adopted. One amendment states that a person may become eligible for MinnesotaCare due to increased employment or child support, and must be informed of the option to transfer to MinnesotaCare. Kiscaden said the other amendment lets the commissioner determine how well local units are performing.

An amendment successfully offered by Sen. John Hottinger (DFL-Mankato) requires the commissioner to consider a number of recommendations regarding MFIP-S to the 1999 Legislature. Hottinger said the first part of the amendment asks the commissioner to consider adjustments to the program that would meet and fulfill the promotion of the program at the 120 percent of poverty level earned income disregard. The other part of the amendment, he said, asks the commissioner to study the effect of the elimination of the food stamp shelter expense deduction on food spending and food sufficiency of MFIP-S families paying greater than 50 percent of their income toward housing costs.

Sen. Claire Robling (R-Prior Lake) asked Berglin how the bill could have no fiscal impact with the extension of time people are to be eligible to receive public assistance. Berglin said that under the current MFIP-S statute, disabled people or people with a disabled family member are not required to be in a work search, so they are already exempted from looking from work under those circumstances. "This bill says you also don't need to worry about exhausting the five-year limit. They are being exempted from work search now, the only issue is whether they have to worry about running out of time at some point in the future," said Berglin. Robling said that she could see how policy wasn't being

changed, but that it sounded like the bill changes how much money may be spent for public assistance if the extension of the exemptions are allowed. Berglin said the department felt there would be no fiscal impact because the people would be included in the 20 percent exemption that the federal government currently allows.

An amendment affecting this section was successfully offered by Sen. Dan Stevens (R-Mora). The amendment adds the assistance units exempt from the 60-month lifetime limit to part of the 20 percent hardship exemption allowed under the personal responsibility and work opportunity reconciliation act. "It makes clear we're not creating another category here," said Stevens.

Stevens also offered another amendment deleting the job search section of the bill. He said the omnibus health and human services bill addresses the issue, and that bill's job search language deviates from Berglin's. He said that the language in the omnibus human services bill had been approved by the department. Berglin said the provision under discussion was not included in the Senate's omnibus bill, and asked for a roll-call vote on the amendment. Stevens said the omnibus bill has almost the same language, with the exception of the number of hours for the search. He withdrew the amendment after Berglin agreed to change the 30 hours language in her bill to 35 hours, to be consistent with the omnibus bill. Stevens then made the oral amendment to change the hours, which was approved. The bill passed 61-0.

The Senate then considered S.F. 2966, carried by Sen. Linda Scheid (DFL-Brooklyn Park). The bill enacts the Minnesota residential mortgage originator and servicer licensing act and establishes various licensing and enforcement mechanisms. Scheid said the bill basically licenses and regulates any companies, other than financial institutions, that originate residential loans or services residential loans for Minnesota residents and creates a two-year license for mortgage originators and servicers. It licenses companies, not individuals, she said, an issue which had historically been a point of contention. Scheid said that the bill creates standards of conduct for all loan originators, and exempts banks, credit unions, and other entities from the

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licensing requirements in the bill. Sen. Warren Limmer (R-Maple Grove) questioned why some mortgage loan officers need to be licensed, but those in banks do not. Scheid replied that banks make the argument that they are already regulated very strictly by the federal government and the department in terms of their financial standing. With the language in the bill, she said, everyone must abide by the same standard of conduct.

The amendment was adopted, and the bill passed 60-0.

The Senate also passed S.F. 2267, a bill relating to insurance and worker's compensation self-insurance. Authored by Sen. Steven Novak (DFL-New Brighton), the bill regulates terminations of self-insurance authority and commercial workers' compensation self-insurance groups, and provides investment, funding, reporting, and transfer requirements. Novak offered an amendment to the bill that he said requires vendors of medical equipment who do not accept medicare assignment to disclose to medicare beneficiaries any additional charges. Novak said the amendment is supported by the Minnesota Medical Association and the Minnesota Hospital Health Care Partnership. The amendment was adopted, and the bill passed 59-0.

Sen. Leo Foley (DFL-Anoka) moved that S.F. 2099, passed the day before, be reconsidered. The bill, authored by Foley, lowers the alcohol concentration limit for repeat DWI offenders operating a motor vehicle or hunting from 0.10 to 0.08. The bill lowers the alcohol concentration limit to 0.08 for all offenders if a federal law is enacted requiring the 0.08 limit. Novak asked for a roll-call vote for the motion to reconsider. "When the bill passed yesterday it passed unanimously and I don't see any need to reconsider the debate," said Novak.

Sen. Douglas Johnson (DFL-Tower) said that he supported the motion to reconsider. He said that he did not support the Novak amendment included in the bill the day before. "I've not felt comfortable with Sen. Foley's bill from the start. I've been trying to think of something that would be more reasonable for first time offenders," said Johnson. He said that planned to offer an amendment that would be more reasonable for first time offenders with an alcohol

concentration limit of at least 0.08, but less than 0.10. The amendment requires the court to place the person on probation for up to a year, and requires the person to attend an educational clinic on drinking and driving, said Johnson. The amendment also states that if the person commits a second DWI violation, he or she will be treated as a repeat offender, he said.

"I'm not in total support of the amendment, but I find it far superior to the situation that now exists," said Foley. Foley said that the version of the bill passed the day before imposed an estimated unfunded cost ranging from \$300,000 to \$600,000, and that the governor has indicated that he will not support any bill with an unfunded cost. Foley said that if the Senate really supports the bill, it should move to reconsider, and then consider the Johnson amendment.

Sen. Ember Junge (DFL-New Hope) urged members to vote to reconsider in order to allow the amendment to be debated. On a 30-32 vote, the motion to reconsider was not approved.

The Senate also passed a number of bills on the Calendar.

S.F. 2712, carried by Sen. Dennis Frederickson (R-New Ulm), is the omnibus fish and wildlife bill. The bill modifies provisions relating to the taking of wild animals, regulates entry into wildlife refuges, provides fees for certain hunting guides, and licenses moose hunting guides. The bill also provides for the acquisition of critical aquatic habitat, modifies commercial netting provisions, regulates the stocking of walleye, prohibits the use of underwater video equipment to take fish, and exempts archery bows used for bowfishing from casing requirements. The bill prohibits the taking of white bears, permits the DNR to take catfish in certain waters, and modifies minnow retailer and turtle license provisions. The bill requires the DNR to study a number of areas, including lifetime hunting and fishing licenses, modifying species restrictions on shooting preserves, and the effect of cormorants on the state's fish population.

Offering letters and a column in opposition to the fish stocking provision in the bill, Sen. Steven Morse (DFL-Dakota) said the provision has major financial implications, with an estimated cost to the DNR of \$2.4 million a year.

"This is a major waste of money," said Morse, noting that the fishing roundtable and the sportsfishing congress have voiced opposition to the provision. Stocking efforts increased in the 1980s, he said, but it was determined that stocking only works in some lakes. Morse said the DNR already fills 100 percent of the statewide stocking requests. He said the provision is unworkable, expensive, and inefficient, and the bill should not be forwarded with the provision in the bill.

Sen. Douglas Johnson said that the increased assistance is needed in Minnesota's lakes. He said that it doesn't make sense to decrease stocking when you have increased fishing pressure, and questioned the DNR estimate of \$2.4 million a year. "It's outrageous that the DNR says it will cost \$2.4 million to go to the stocking levels of 1986," said Johnson.

The bill passed 50-14.

H.F. 3843, carried by Sen. Keith Langseth (DFL-Glyndon), is the omnibus capital improvement appropriations bill. The bill authorizes spending for public purposes, to acquire and improve public land and buildings. The bill passed 41-22.

H.F. 3070, carried by Sen. Mark Ourada (R-Buffalo), provides a permanent variance for homeowners 65 or older to use decorative gas lamps. The bill passed 62-0.

S.F. 2550, authored by Sen. Michelle Fischbach (R-Paynesville), regulates the solicitation of loans by mailing a check payable to the addressee. The bill passed 62-2.

S.F. 2447, carried by Sen. Dallas Sams (DFL-Staples) relates to health professions. The bill modifies provisions relating to speech-language pathologists, unlicensed mental health practitioners, alcohol and drug counselors, physical therapists, and hearing instrument dispensers. The bill passed 62-1.

S.F. 3016, carried by Sen. Douglas Johnson, allows the city of Tower to transfer the contents of a landfill to be transferred to a site in Ely. The bill passed 62-0.

The Senate also granted concurrence and repassage to S.F. 2281, carried by Sen. Pat Pariseau (R-Farmington). The bill allows the Dakota County Board of commissioners to appoint the county treasurer/auditor position. The bill passed 58-0.

Monday, March 16

Fetal alcohol bill discussed

The Senate floor session, Mon., Mar. 16, was devoted to debate on H.F. 3184, a bill providing for voluntary reporting of alcohol abuse by a pregnant woman. Most of the discussion centered on an amendment to the bill offered by Sen. Thomas Neville (R-Northfield).

Author Sen. David Knutson (R-Burnsville) said H.F. 3184 was the result of yearlong efforts by a Fetal Alcohol Syndrome (FAS) Task Force headed by First Lady Susan Carlson. He said several Senate committees heard compelling testimony from mothers who said they had given birth to babies afflicted with FAS and Fetal Alcohol Effect because the nature of alcohol addiction prevented them from seeking treatment.

Knutson said the FAS reporting bill is modeled after current law and regulations governing reporting of drug abuse. He said the bill defines an abuser of alcohol as someone who has required detoxification treatment, and is determined to be an alcoholic through a validated chemical use assessment. Knutson said he deleted, in response to criticism leveled during committee hearings, a provision that allows for a civil commitment proceeding if a pregnant woman who abuses alcohol refuses treatment. The bill instead provides that mandated reporters, such as physicians and social workers, may arrange for a chemical use assessment, or file a report with the local welfare agency or maternal child substance abuse project, if the mandated reporter believes that a pregnant woman has knowingly abused alcohol during the pregnancy.

Knutson said the bill is a first step in preventing the lifelong burdens placed on families and state agencies dealing with the effects of FAS. He then cited studies detailing the costs to the state to treat and care for children who suffer from the syndrome.

Neville said he supported the bill and offered an amendment which he said goes further in protecting unborn children. The Neville amendment prohibits partial-birth abortions except to save the life of the mother, provides for civil action against the mother, and imposes criminal penalties against a physician who performs the abortion.

Sen. Don Betzold (DFL-Fridley)

challenged the germaneness of the amendment, saying it dealt with a much broader and different issue. Neville and Sen. Michelle Fischbach (R-Paynesville) argued that the amendment relates to the original bill in that it protects unborn children from harm, and regulates the conduct of health care providers and expectant mothers. Senate President Sen. Allan Spear (DFL-Mpls.) ruled that the amendment was not germane, but his decision was overturned on a 29-33 roll call vote.

Neville and Knutson declined Majority Leader Roger D. Moe's (DFL-Erskine) request that the authors progress, or delay, consideration of the bill and amendment out of courtesy to absent members who had a stake in discussing the issue. After some discussion over the constitutionality and implications of criminal and civil penalties provisions of the amendment, Moe moved to adjourn the floor session. The motion to adjourn carried on a 33-31 roll call vote.

Tuesday, March 17

Four bills passed

Acting on Special Orders, the Senate passed four bills during an hour long floor session Tues., Mar. 17. The Senate also concurred with the amendment put on by the other body to a bill passed previously by the Senate, and then repassed the bill.

Sen. Steven Novak (DFL-New Brighton) authored a bill, H.F. 3145, requiring cities and counties that receive low-income housing tax credits to submit compliance documentation to the Minnesota Housing Finance Agency, and the agency is authorized to review compliance monitoring procedures used by those cities and counties. Sen. Lawrence Pogemiller (DFL-Mpls.) offered an amendment that makes technical changes to bonding authority allocations. Pogemiller said that the provisions of the amendment were contained in another bill, but the bill did not get a hearing. Sen. Mark Ourada (R-Buffalo) questioned the germaneness of the amendment, arguing that the amendment is generally about housing, but expands the scope of the original bill and goes to a substantially different purpose. The amendment was ruled not germane. Later, Pogemiller offered a pared-down version of his amendment which was adopted. Sen. Sheila Kiscaden (R-

Rochester) offered an amendment allowing people who live in townhouses to make minor improvements to their residences to accommodate disabilities even if the improvements violate townhouse association architectural regulations. Her amendment was also ruled not germane. The bill was passed 65-0.

Earlier, the Senate considered a bill authored by Pogemiller, S.F. 2082. Pogemiller said the bill is the result of a two year process to recodify many educational statutes. He said the bill repeals obsolete statutes, and rearranges state law to put programs with their funding mechanisms. Pogemiller added that the bill is "purely technical." The bill was granted final passage with a 62-0 roll call vote.

Other bills receiving Senate action include H.F. 2309, sponsored by Sen. Deanna Wiener (DFL-Eagan). She said that the bill requires a couple's joint credit history to be considered when one spouse whose name doesn't appear on a joint account, but is authorized to use it, applies for credit on his or her own. The bill also provides a remedy for violations by authorizing a private cause of action with a limit of \$1,000. She said the bill is needed for cases of divorce or bereavement, so that the person whose name did not appear on the account can establish credit in his or her own name. The bill passed 64-1.

The Senate also passed H.F. 2814, carried by Sen. Leo Foley (DFL-Anoka). The bill regulates health plan coverage of durable medical equipment. Foley said the bill does away with arbitrary denial of durable medical equipment claims. The bill passed 65-0.

In addition, the Senate concurred and repassed S.F. 2429, sponsored by Wiener. The bill adds a member to the Local Government Services Advisory Council. Wiener said that the difference between the House and Senate versions is that the other body authorized the Legislative Auditor to appoint the members of the advisory council. Final passage was granted on a 64-0 roll call vote.

Wednesday, March 18

Constitutional bills approved

The Senate passed several bills proposing constitutional amendments at a floor session Weds., Mar. 18. The bills establish a children's endowment fund,

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abolish the office of State Treasurer, and create a surface transportation fund.

Sen. John Hottinger (DFL-Mankato) authored a bill proposing an amendment to the state constitution that would rename the permanent school fund the children's endowment fund. S.F. 2775 allows the assets of the fund to be appropriated for research, and the collection and analysis of information, on the physical, emotional, and intellectual development of children under the age of six years. The bill credits all of the money currently credited to the permanent school fund to the new children's endowment fund. Funds that are currently credited to the permanent school fund come from sources such as the proceeds of lands granted by the United States for schools within each township, and the proceeds derived from land sales. "The only way we can protect our youngest children is by protecting a resource for them," said Hottinger, "because the Legislature cannot be relied on the continue steady funding of the children's endowment fund."

Sen. Keith Langseth (DFL-Glyndon), chair of the Education Finance Committee, said members of the committee had not felt comfortable with a provision in the bill appropriating \$50 million to the endowment fund. The committee came up with the idea to shift the proceeds of the permanent school fund to the children's endowment fund, he said.

Sen. Thomas Neville (R-Northfield) offered an amendment to change from six years to eight the maximum age of children whose neurological development is the focus of the endowment fund. He said raising the maximum age to eight years will provide more flexibility for the fund in the future. Hottinger opposed the amendment, saying the unmet need for research on neurological development is greatest for the very youngest children and should therefore be focused on children six years and under. The amendment was defeated 23-45 on a roll-call vote.

Neville offered a second amendment lowering from the moment of birth to the moment of conception the minimum age of children whose development is the focus of the endowment fund. Hottinger said he opposed Neville's amendment on the grounds that the bill's language can already be read to include children who have not yet been born. Hottinger

said there is nothing in the bill that prohibits money from the fund being used for brain research on children who are not yet born. The amendment was defeated 30-36 on a roll-call vote. S.F. 2775 was approved 61-3.

Sen. Deanna Wiener (DFL-Eagan) authored S.F. 161, a bill proposing a constitutional amendment that would abolish the office of State Treasurer. "The office was created in the 19th century. It has become as obsolete and unnecessary as the adding machine and the abacus, and its time to abolish it," she said. Sen. David Kleis (R-St. Cloud) offered an amendment eliminating one of the bodies of the Legislature. Sen. Don Betzold (DFL-Fridley) quickly questioned the amendment's germaneness and the president ruled the amendment was not germane. Kleis offered a second amendment he said would offer Minnesota voters the opportunity to register their opinion on the proper size and scope of the Legislature. Sen. Allan Spear (DFL-Mpls.) said the amendment was written to provide for a referendum, which does not exist in Minnesota. Kleis withdrew the amendment.

Sen. Charles Wiger (DFL-North St. Paul) offered an amendment to the bill to make references to the governor in the state constitution gender-neutral. He said a group of students had pointed out to him recently that the state constitution refers to the governor only as "he," and not "she." Betzold said that while he supports making language in the state constitution gender-neutral, he did not think the amendment was germane to the bill. Spear said the proper way to clean up the gender-biased language is to wait for next round of constitutional amendments and draft an amendment making the whole constitution gender-neutral. Wiger said he agreed with Spear and he withdrew the motion. S.F. 161 was approved 59-5 on a roll-call vote.

Sen. Carol Flynn (DFL-Mpls.) authored a bill proposing an amendment to the state constitution that would create a surface transportation fund and dedicate 25 percent of motor vehicle excise tax (MVET) revenues to transportation. S.F. 3046 allows money in the surface transportation fund to be appropriated for costs related to any state surface transportation purpose, including operating and capital assistance to transit, rail, and waterway systems, and

the construction, improvement and maintenance of public highways. The bill requires the Legislature to appropriate in each fiscal year a minimum of 25 percent of MVET revenues to state transportation needs. The constitutional amendment will be submitted to voters on the 1998 general election ballot.

Several Senators, including Sen. Kenric Scheevel (R-Preston) expressed support for the bill. Scheevel offered an amendment to increase from 25 to 50 percent the percentage of MVET revenues dedicated to state transportation needs. Flynn responded that the bill sets 25 percent as the minimum, but not the limit, of the percentage of MVET revenues that may be spent on state transportation needs each year. The Legislature will be able to appropriate more than 25 percent in the future if it so chooses. Scheevel withdrew the amendment, but he said he would like to work on increased funding for the transportation system. The bill was approved 65-0 on a roll-call vote.

Sen. Ember Junge (DFL-New Hope) carried a bill clarifying that a court may not refuse to adjudicate a defendant's guilt except upon agreement of the parties, and amending the criminal sexual conduct statutes to criminalize certain acts committed by persons in a position of authority, even where the authority was not used to cause the victim to submit. Junge said the first part of the bill, prohibiting a court from refusing to adjudicate a case, was brought to her by the Minnesota County Attorneys Association. She said the bill addresses the fundamental issue of whether the Legislature will allow judges to take the law into their own hands. Junge pointed to a case a few years ago in which the defendant pled guilty and was convicted of rape. However, the judge decided to stay adjudication, that is, to not put the conviction on record or sentence the defendant. "If we allow this practice to continue, we will allow judges to void the convictions of people who are found guilty of crime," she said. According to Junge, in Dakota County judges stayed the adjudication of 47 cases, including 31 felonies, in one year. "Shouldn't the courts have to abide by the conviction and impose the conviction and the penalty for it?" she said.

The second part of the bill amends the sexual conduct statutes to prohibit

certain acts committed by persons in positions of authority, even where the authority was not used to cause the victim to submit. Junge said that under current law, in order to convict a teacher of statutory rape of a student who is 17 years old or younger, a prosecutor has to prove the teacher used his or her position of authority.

Sen. Linda Runbeck (R-Circle Pines) offered an amendment to the bill requiring the Board of Teaching or the State Board of Education to permanently revoke a teacher's license to teach if the board learns that the teacher has ever been convicted of an offense for which registration is required under state statute. The amendment was approved.

Neuville offered an amendment allowing a court to stay the adjudication of a defendant's guilt if the parties agree to a stay, or if the court determines that a manifest injustice would occur unless the adjudication of guilt is stayed, and the factual basis for the determination is stated on the record. Junge opposed the amendment, which she said goes in the opposite direction of what the bill is intended to do. She said judges have abused their prerogative to determine a stay of adjudication by setting aside too many cases because they don't agree with the law. Sen. Dave Johnson (DFL-Bloomington) called the Neuville amendment "a loophole you can drive a truck through." He urged Senators to oppose the amendment and make sure people convicted of crimes are held accountable for their actions. Spear said he supports Neuville's amendment because he believes judges should be allowed a degree of flexibility in deciding a stay of adjudication, and that the decision can be appealed. Sen. Gary Laidig (R-Stillwater) also supported the amendment and said he thought the decision to stay adjudication should be left up to the judiciary. The amendment was adopted. Junge requested that the bill be laid on the table.

Thursday, March 19

TAP; MERLA bills passed

Debate on two bills dominated the Thurs., Mar. 19, Senate floor session. The bills, both being considered for final passage on Special Orders, were both granted passage, but not before several hours of heated debate occurred on the

issues contained in the measures.

The first bill, S.F. 2718, makes changes to Minnesota's telephone assistance program in order to comply with federal changes. The measure, sponsored by Sen. Steve Kelley (DFL-Hopkins), requires the Dept. of Human Services to automatically enroll eligible persons and increases the surcharge on all telephone customers. In addition, the bill requires the Public Utilities Commission to develop and implement a state universal service fund by Dec. 31, 2000. Kelley reminded members that the body had discussed the bill at an earlier floor session, at which time an amendment was adopted that deleted the increases in the telephone surcharge. He offered an amendment to add back into the bill a series of surcharge increases to fund the expansion of the program.

Under the amendment, Kelley said, the surcharge remains at the current level of 10 cents per access line until June 30 of 1999. At the time, the surcharge increases to 12 cents per access line until June 30, 2001. After the June 30, 2001 date, the surcharge increases to 16 cents per line. Sen. Martha Robertson (R-Minnetonka) argued against the amendment, "In a year we have a \$2 billion surplus, why would we increase the fees on everyone's phone bill?" Kelley responded that funding for the program has never come from the general fund, "The approach has always been that other users support the program because it expands the value of the telephone network for all users." Sen. Sheila Kiscaden (R-Rochester) also spoke against the amendment. "The increase in the surcharge is larger than need be because of the automatic enrollment," she said. Kelley responded that if the funding is not expanded, the present beneficiaries will see a cut in the year 2,000. He said that currently about 40,000 Minnesotans participate in the program. Under the new eligibility standard, measured by income at 150 percent of the federal poverty line, more than 280,000 Minnesotans will be eligible for the program.

Sen. Linda Runbeck (R-Circle Pines) said, "The program is being expanded well beyond what is needed--to the point where nearly 15 percent of all Minnesota households will be eligible for subsidized service." Kelley countered, "We are all getting a subsidy on our phone service--every time you make a local call, there is

a subsidy to the local phone company. With this bill, the folks we know are poor will have a bit of extra subsidy." The amendment was adopted on a 36-30 roll call vote.

Kiscaden then offered an amendment to delete the section of the bill providing for automatic enrollment of eligible persons. Kelley opposed the amendment said that the automatic enrollment provision helps keep down administrative costs and is more convenient for citizens. The amendment was defeated on a 28-37 roll call vote.

A third amendment, offered by Kiscaden, to require that the surcharge appear as a separate item on consumers' telephone bills, was adopted. The bill was granted final passage on a vote of 38-27.

The second bill to spark extended debate, H.F. 3297, clarifies the time for filing an action under the Minnesota Environmental Response and Liability Act (Superfund). The measure, sponsored by Sen. Steven Morse (DFL-Dakota), sparked controversy because of a case before the 8th District Circuit Court of Appeals. The debate over statute of limitations language centered on an amendment, offered by Morse, relating to suspended the running of the statute of limitations outlined in a portion of the bill until July 1, 1999. Sen. Dave Johnson (DFL-Bloomington) said the amendment interferes with an on-going lawsuit and should be defeated. Morse countered that the amendment affects disputes arising on or after the date but not on any pending case. The amendment was adopted.

Morse offered a second amendment requiring the Pollution Control Agency to study, in consultation with other parties who may have cost recovery claims, the implications of amendments to the statute of limitations on both the state and any other parties. Further, the amendment requires the commissioner to report the number of sites where the state has incurred response costs, the number of potential and commenced cost recovery actions brought by the state or other parties and the estimated fiscal impact of the legislative change on the state and other parties. Sen. Dave Johnson argued against the amendment and said that he had an amendment that requires a similar study but delays the effective date for one year. He said that it made more sense to do the study before

Committee update

enacting changes to the statute of limitations. The Morse amendment was defeated on a 31-34 roll call vote. Sen. Dave Johnson then offered his amendment delaying the effective date of the bill and providing for the study. However, Morse requested that the amendment be divided and then questioned whether the study language could be before the body since the identical language was defeated in the prior vote. The president ruled that the study language could not be before the body. Runbeck moved to lay the bill on the table. She said that it was obvious from the debate that more time was needed to study the issues. The motion failed on 7-59 roll call vote. The second portion of the amendment, delaying the effective date, was also defeated on a roll call vote of 26-39.

Sen. John Hottinger (DFL-Mankato), offered an amendment regarding the statute of limitations provision in the bill. Hottinger said his amendment sends the message to the courts, more clearly than Johnson's earlier amendment, that the bill will not impact on pending

litigation. The amendment was adopted.

Sen. Dan Stevens (R-Mora) offered an amendment to delete a section that gives latitude to the commissioner in deciding when to issue the certificate which determines when the clock will start. Stevens said he drafted the amendment after learning that the Pollution Control Agency did not support that section of the bill. The amendment was adopted.

Sen. Linda Higgins (DFL-Mpls.) moved to reconsider the vote on the Morse amendment that commissions a study on the statute of limitations issue. Morse said he believes stakeholders would like to see the results of the study and urged members to support reconsideration of the vote. The motion to reconsider prevailed on a 38-27 vote. The Morse amendment was adopted on a 40-26 roll call vote.

The bill was granted final passage on a 47-19 roll call vote.

Sen. Edward Oliver (R-Deephaven) presented his bill, H.F. 2308, that updates licensing provisions in current statutes relating to public accountants, modifies licensing provisions, provides for

firm licensure, and authorizes rulemaking. Oliver said he delayed presentation of the bill to the body until several interested parties reached final agreement over technical issues. Sen. Gen Olson (R-Minnestota) offered an amendment, which was adopted, to make technical changes to clarify definitions of several terms in the bill. Olson offered another amendment, which was adopted, providing that licenses be held for life until they are declared inactive through notification of retirement. The bill was granted final passage on a 64-0 roll call vote.

Sen. Allan Spear (DFL-Mpls.) moved that the Senate concur with House language amending S.F. 330, a bill that limits liability on nonprofit corrections treatment centers. The amendment was adopted and the bill was granted re-passage on a 60-0 roll call vote.

Sen. Ember Junge (DFL-New Hope) moved that the Senate concur with House language amending S.F. 2493, a bill that limits the liability of financial institutions providing criminal data. The bill was granted re-passage on a 62-0 roll call vote.

Preview

Monday, March 23

The Senate is in session at 11 a.m.

Health and Family Security Supplemental Budget Conference Committee

Co-Chairs: Sen. Don Samuelson and Rep. Lee Greenfield

3 p.m., Room 107 Capitol

Agenda: S.F. 3346: Omnibus health and family security supplemental budget bill.

Tuesday, March 24

The Senate is in session at 9 a.m.

Wednesday, March 25

The Senate is in session at 9 a.m.

Rules and Administration Subcommittee on Ethical Conduct

Chair: Sen. Ember Reichgott Junge
2 p.m., Room 125 Capitol

Agenda: Complaint filed by Sen. Marty re: John Berglund, Minn. Licensed Beverage Assn.

Thursday, March 26

The Senate is in session at 9 a.m.

Friday, March 27

The Senate is in session at 9 a.m.

Note: Conference committees will continue to meet through the week. Please call the Senate Information Office at (voice) 296-0504, or toll free 1-888-234-1112; or (TTY) 296-0250, or toll free 1-888-234-1216; or consult the Senate's World Wide Web site at <http://www.senate.leg.state.mn.us> for the latest available schedule information.

1998 Chapters and Resolutions

Number	Senate File	Senate Author	House File	House Author	Description	Signature date
252	2111	Samuelson	2492	Anderson, I.	Fish house restrictions and license periods modifications	2/12/98
253	663	Higgins	661*	Biernat	Landlord and tenant law recodifications and clarifications.	2/18/98
254	2134	Betzold	2524*	Chaudhary	Revisor's bill.	2/18/98
255	1440*	Ranum	1554	Dawkins	Uniform certification of questions of law act adopted.	2/19/98
256	2017	Moe, R.D.	2372*	Lieder	Norman County Medical Center bid exemption	2/25/98
257	2261	Sams	2550*	Otremba	Rural hospital flexibility program.	2/25/98
258	2167	Metzen	2338*	Folliard	Gulf War veterans' bonus modification.	2/25/98
259	2156	Higgins	2499*	Stanek	Hennepin County Board small purchase limit increase.	2/27/98
260	2478*	Samuelson	2890	Tunheim	Savings association act maintained.	2/27/98
261	2345	Morse	2828*	Tingelstad	Commissioner of health public water supply approval authority modified.	3/4/98
262	2031*	Betzold	2390	Pugh	Real property conveyance provisions modified.	3/4/98
263	2028*	Sams	2576	Juhnke	Emergency vehicle signal operation modification	3/4/98
264	2379*	Metzen			Local government unit aid distribution clarification in township annexation.	3/4/98
265	2621*	Scheevel	2646	Jefferson	Reemployment insurance technical changes.	3/4/98
266	2122	Metzen	2590*	Jennings	Tenant security deposit interest rate increase.	3/4/98
Res. 5	2055	Pogemiller	2417*	Jaros	Congress memorialized to support the admission of Poland, Czech Republic and Republic of Hungary to NATO.	Filed without signature
267	2170*	Lessard	2425	Anderson, I.	Watercraft trailers and ATVs exempt from motor vehicle sales on Sunday prohibition.	3/5/98
268	2525*	Wiger	2927	McCollum	Ramsey County purchases from health care cooperatives.	3/5/98
269	2685*	Vickerman	3119	Olson, E.	Public officers contract interest authority clarification	3/5/98
270	2315*	Robertson	2811	Kahn	Director of Office of Technology membership to various organizations clarification.	3/5/98
271	2354*	Kiscaden	3734	Mares	Public employees insurance program expansion	3/6/98
272	2688	Terwilliger	3095*	Rhodes	Chaplain Sunday designation	3/6/98
273	2477*	Stumpf	2866	Kinkel	Dept. of Children, Families and Learning and Dept. of Economic Security reorganization codified.	3/9/98
274	2355	Lourey	3040*	Lourey	Long-term nursing care facility payroll documentation procedures modified.	3/16/98

275	2280	Higgins	2642*	Jefferson	Standard collection procedure exemption provided to overpaid reemployment insurance benefits.	3/16/98
276	2791	Wiener	2809*	McElroy	Audited financial statement copies provided to members of the local unit of government.	3/16/98
277	2255	Metzen	2616*	McElroy	Dakota County dangerous dog registration system city administration provided.	3/16/98
278	2849	Ourada	3071*	Wolf	Petroleum product specifications modified.	3/16/98
279	2457*	Flynn	3593	Larsen	Rural finance authority and housing finance electronic meetings authority permanency.	3/16/98
280	2047*	Novak	3148	Kubly	Manufactured home park owners limited dealers licenses.	3/16/98
281	1151*	Piper	1414	Leighton	Guardians and conservators appointment provisions modifications.	3/16/98
282	2402*	Stevens	2696	Munger	Merchandise pallets unauthorized possession or damage prohibitions.	3/16/98
283	2729*	Spear	3296	Long	Bicycle racks and storage facilities advertisements, public art and informational signs placement and maintenance authority.	3/16/98
284	2669*	Hottinger	2992	Greenfield	Day training and rehabilitation services business arrangements use and rate variance mechanism flexibility.	3/16/98
285	2163*	Knutson	3028	Pawlenty	Motor vehicle dealers licensing requirements exemption for charitable organizations.	3/18/98
286	2516*	Stevens	2777	Jefferson	Dept. of Employee Relations experimental or research projects authority expansion.	3/18/98
287	2245	Johnson, D.J.	2846*	Mahon	Automobile insurance premium reduction provided for completion of an accident prevention course.	Vetoed
288	668	Kiscaden	668*	Seagren	Industrial hygienist and safety professional title protection act adopted.	3/18/98
289	2677	Wiener	2601*	Mullery	Building and construction contract lien and claim waivers and subcontractor payments regulated.	3/18/98
290	2335	Johnson, J.B.	2612*	Jennings	Trunk highway #95 designated as state trooper Timothy Bowe Memorial Highway.	3/18/98
Res. 6	2786	Pappas	3250*	Garcia	President and Congress memorialized to enact the aircraft repair station safety act of 1997.	Filed without signature
291	2230*	Wiener	2779	Chaudhary	Elderly housing definition modification for discrimination prohibition exemption purposes.	3/18/98
292	2574*	Ten Eyck	2635	Skare	Headwaters regional development commission non-profit housing corporation establishment authority.	3/18/98
Res. 7	2699*	Lourey	3258	Greenfield	Resolution to remove Medicaid policy barriers to employment for people with disabilities.	Filed without signature
293	2608*	Wiener	3065	Dorn	Health insurance basic medicare supplement plans coverage for diabetes equipment.	3/18/98
294	3068*	Runbeck	3532	Betterman	Workers' compensation benefits special compensation fund reimbursement requirement elimination.	3/18/98
295	2540	Oliver	2500*	Rest	Customer loss or theft of a debit card limited liability provided.	3/18/98

296	1973	Johnson, D.E.	2222*	Juhnke	Cartways established by town boards upon owner petition.	Filed without signature
297	2293	Solon	2895*	Tomassoni	Township mutual insurance companies permitted investments expanded.	3/18/98
298	2945*	Stumpf	3442	Wenzel	Interstate emergency management assistance compact.	3/18/98
299	2266*	Belanger	2523	Johnson, A.	Gasoline and special fuels tax provisions recodification and clarification.	3/18/98
300	2570*	Belanger	2659	Olson, E.	Tax provisions technical corrections and and administrative changes.	3/18/98
301	1076*	Sams	1306	Hausman	Health plan coverage for off label use of drugs.	3/18/98
302	2384*	Johnson, J.B.	2790	Jennings	Chisago county recorder appointment; Rush City easements.	3/18/98
303	1583*	Hottinger	2043	Greiling	State agencies regulatory rules and prograsm policy and obsolete, unnecessary or duplicative rules regulation.	3/18/98
304	2041*	Johnson, D.J.	2294	Long	Property tax rebate for tax pre-payments.	3/18/98

Floor action

Friday, March 13

Bills granted concurrence and repassage

S.F. 2281-Pariseau: Authorizing the appointment of a treasurer/auditor in Dakota County and clarifying the employment status of certain employees. 58-0

S.F. 2447-Sams: Modifies provisions relating to speech-language pathologists, unlicensed mental health practitioners, alcohol and drug counselors, physical therapists, and hearing instrument dispensers, and authorizes exempt rulemaking. 62-1

S.F. 3016-Johnson, D.J.: Authorizes acceptance of dump materials at certain qualified landfills. 62-0

Bills granted final passage on the Senate Calendar

H.F. 3843-Langseth: Authorizes spending for public purposes, authorizes spending to acquire and to better public land and buildings and other public improvements of a capital nature and authorizes state bonds. 41-22

H.F. 3070-Ourada: Provides for variances for decorative gas lamps. 62-0

S.F. 2550-Fischbach: Regulates solicitation of loans by mailing a check payable to the addressee. 62-2

S.F. 2712-Frederickson: Omnibus game and fish. Provides for the acquisition of critical aquatic habitat, modifies commercial netting provisions, exempts archery bows used for bowfishing from casing requirement, prohibits the taking of white bears, permits the commissioner to take catfish in certain waters, modifies minnow retailer provisions, modifies turtle license provisions, requires the commissioner of natural resources to study lifetime hunting and fishing licenses, requires the commissioner of natural resources to study the modification of species restrictions on shooting preserves, authorizes the public sale of tax-forfeited land that borders public water in Mower County, authorizing the sale of school trust land in St. Louis County, prohibits use of video cameras in taking fish and provides for stocking fish. 50-14

Bills granted final passage on Special Orders

H.F. 3644-Moe, R.D.: Modifies voting requirements for extended area service within combined school districts. 61-0

S.F. 2627-Moe, R.D.: Provides that certain payments in lieu of taxes may be used for road maintenance in unorganized townships. 60-0

S.F. 2631-Berglin: Modifies several provisions related to the Minnesota Family Investment Program - Statewide (MFIP-S) and amends local service unit plans. 61-0

S.F. 2966-Scheid: Enacts the Minnesota Residential Mortgage Originator and Servicer Licensing Act and establishes licensing and enforcement mechanisms. 60-0

S.F. 2267-Novak: Regulates terminations of workers' compensation self-insurance authority and commercial workers' compensation self-insurance groups and provides investment, funding, reporting and transfer requirements. 59-0

Tuesday, March 17

Bills granted concurrence and repassage

S.F. 2429-Wiener: Adds a member to the Local Government Services Advisory Council and clarifies the appointment of council members. 64-0

Bills granted final passage on Special Orders

S.F. 2082-Pogemiller: Recodifies and makes technical amendments to kindergarten through grade 12 education statutes. 62-0

H.F. 3145-Novak: Provides for the review of allocations and the compliance monitoring process by the Minnesota Housing Finance Agency. 65-0

H.F. 2309-Wiener: Regulates use of spousal credit history, requires that creditors consider a credit history in the name of the applicant's spouse and requires that creditors report a credit history in the names of both spouses. 64-1

H.F. 2814-Foley: Regulates coverage of durable medical equipment and requires disclosure of covered medical equipment and supplies. 65-0

Wednesday, March 18

Bills granted concurrence and repassage

S.F. 695-Berglin: Defines a nonprofit health care trust and establishes requirements for certain agreements or transactions between nonprofit health care trusts and for-profit corporations or entities. 60-0

S.F. 908-Oliver: Provides for the organization, powers, and duties of trust companies, provides fiduciary provisions for trust companies and banks exercising trust powers and regulates interstate trust offices. 61-0

S.F. 2252-Wiener: Modifies criminal penalties for DWI and authorizes sentences to programs of intensive supervision. 62-0

Bills granted final passage on Special Orders

S.F. 2775-Hottinger: Proposes an amendment to the Minnesota Constitution to rename the permanent school fund as the children's endowment fund and to maximize the long-term total return to the fund, and requires a work group to propose a governance structure for the endowment. 62-4

S.F. 161-Wiener: Proposes an amendment to the Minnesota Constitution to eliminate the office of state treasurer. 59-5

S.F. 3046-Flynn: Proposes an amendment to the Minnesota Constitution dedicating motor vehicle sales tax revenues to transportation funding. 65-0

Thursday, March 19

Bills granted concurrence and repassage

S.F. 154-Frederickson: Limits liability for injury related to food donations to the state and political subdivisions. 54-0

S.F. 330-Spear: Provides limits on liability of private corrections treatment facilities that receive patients under court or administrative order. 60-0

S.F. 2493-Junge: Limits the liability of financial institutions providing data for the criminal alert network. 62-0

Bills granted final passage on Special Orders

S.F. 2718-Kelley, S.P.: Amends the state telephone assistance program to match federal requirements, requires the Dept. of Human Services to automatically enroll eligible persons based on information in state information systems, increases the TAP surcharge and requires the public Utilities Commission to develop and implement a state universal service fund by Dec. 31, 2000. 38-27

S.F. 2737-Junge: Clarifies provisions for recognition of orders for protection from other jurisdictions, clarifies service provisions and provides that certain mutual orders are not entitled to full faith and credit. 60-0

H.F. 3297-Morse: Clarifies time for filing an action under MERLA (Superfund) and requires public notice of proposed response actions. 47-19

H.F. 2308-Oliver: Modifies licensing provisions for public accountants and provides for firm licensure. 64-0

Conference Committees

H.F. 3843-Omnibus capital budget bill

Members:

Langseth	Kalis
Berglin	Solberg
Cohen	Trimble
Laidig	Clark, K.
Janezich	Bishop

S.F. 3393-Omnibus crime prevention supplemental budget bill

Members:

Kelly, R.C.	Murphy
Spear	Skoglund
Ranum	Pugh
Neuville	Entenza
Knutson	Larsen

S.F. 3367-Omnibus economic development supplemental budget bill

Members:

Beckman	Jaros
Novak	Trimble
Johnson, D.H.	Clark, K.
Anderson	Kubly
Oliver	Gunther

S.F. 3353-Omnibus environment and agriculture supplemental budget bill

Members:

Morse	Osthoff
Sams	Munger
Lessard	McCollum
Lourey	Peterson
Dille	Holsten

S.F. 2532-Omnibus family and early childhood education supplemental budget bill

Members:

Piper	Kinkel
Marty	McGuire
Foley	Delmont
Terwilliger	Slawik
Lesewski	Sykora

S.F. 3346-Omnibus health and family security supplemental budget bill

Members:

Samuelson	Greenfield
Betzold	Wejcman
Berglin	Winter
Stevens	Bradley
Kiscaden	Goodno

S.F. 3297-Omnibus higher education supplemental budget bill

Members:

Stumpf	Pelowski
Solon	Carlson
Larson	Opatz
Wiener	Leppik
Kleis	Bettermann

H.F. 2874-Omnibus K-12 education supplemental budget bill

Members:

Pogermiller	Kelso
Krentz	Greiling
Robertson	Biernat
Pappas	Leighton
Scheevel	Dempsey

S.F. 3354-Omnibus state government supplemental budget bill

Members:

Price	Rukavina
Metzen	Hilty
Frederickson	Mares
Betzold	Kahn
Fischbach	Osskopp

H.F. 3840-Omnibus tax bill

Members:

Johnson, D.J.	Long
Flynn	Winter
Hottinger	Olson
Vickerman	Dawkins
Belanger	McElroy

S.F. 3298-Omnibus transportation supplemental budget bill

Members:

Johnson, J.B.	Lieder
Flynn	Wagenius
Hanson	Marko
Ourada	Molnau
Robling	Kuisle

Other Conference Committees

S.F. 726-State government procurement process

Members:

Knutson	Kahn
Metzen	Jefferson
Wiener	Krinkie

S.F. 1378-Omnibus data privacy provisions

Members:

Betzold	McGuire
Knutson	Macklin
Wiener	Skoglund

S.F. 2119-Municipalities contract bid specifications, design and construction standards.

Members:

Johnson, J.B.	Jennings
Wiger	Wolf
Johnson D.E.	Hausman

S.F. 2192-Political subdivisions corporations

Members:

Frederickson	Harder
Vickerman	Rest
Kelley, S.P.	Erhardt

S.F. 2276-Child support enforcement modifications

Members:

Knutson	Dawkins
Cohen	Leighton
Foley	Biernat

S.F. 2276-Child support enforcement modifications

Members:

Knutson	Dawkins
Cohen	Leighton
Foley	Biernat
Kiscaden	Larsen
Ten Eyck	Bishop

S.F. 2351-State park additions and deletions

Members:

Vickerman	Kalis
Stumpf	Osthoff
Pariseau	Sekhon

S.F. 2445-Excavation notice system provisions

Members:

Novak	Ozment
Ourada	Jennings
Johnson D.H.	Kahn

S.F. 2586-Sex offender provisions modifications

Members:

Kelly, R.C.	Bishop
Morse	Skoglund
Limmer	Pugh

S.F. 2645-Affirmative action plan requirements modification

Members:

Wiger	Dawkins
Robling	Jefferson
Kelley, S.P.	Stanek

S.F. 2730-Dept. of Administration provisions

Members:

Robertson	Hilty
Price	Kahn
Betzold	Larsen

H.F. 2708-Agricultural marketing and dispute resolution

Members:

Frederickson	Juhnke
Beckman	Johnson, R.
Vickerman	Swenson, H.

H.F. 2722-Underground petroleum storage tank violations penalties

Members:

Novak	McCollum
Dille	Wagenius
Lessard	Kraus

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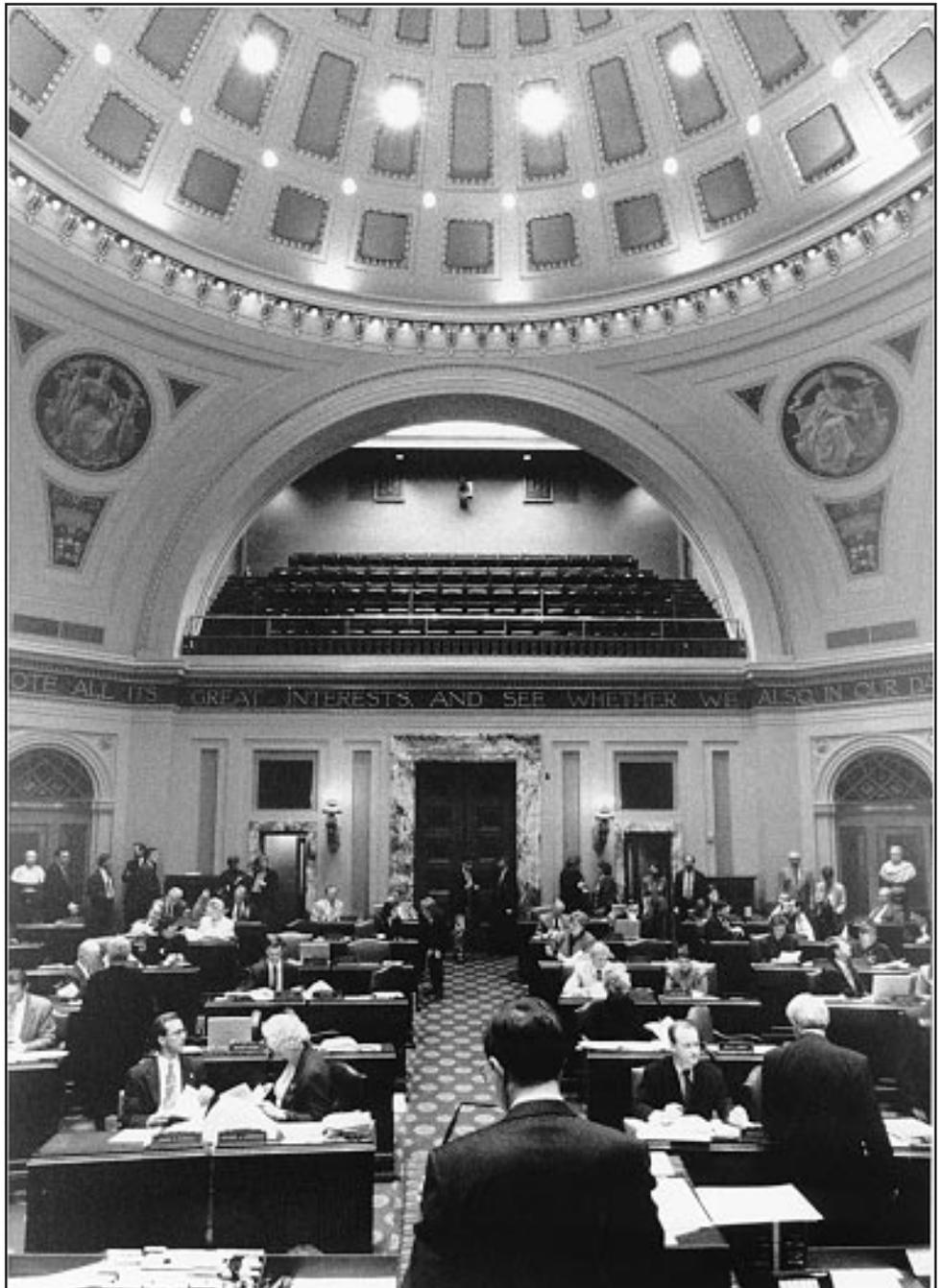


Photo by Andrea Murrill.

March 27, 1998

Senate Highlights

Hockey arena discussed

State funding for convention centers in Minneapolis, Duluth and the St. Paul hockey arena were the focus of attention at the Capital Budget Conference Committee meeting Wed, Mar. 25. The conference committee, chaired by Sen. Keith Langseth (DFL-Glyndon), heard testimony regarding the three proposals in an attempt to find agreement on the omnibus capital budget bill, H.F. 3843.

Duluth Mayor Gary Doty spoke regarding a request for \$14 million from the state to expand the Duluth convention center. Doty said the existing convention facility opened in 1990 and has proven very successful, but it needs to be expanded. Doty said the publicly owned facility is turning away almost 50 convention groups each year because they don't have the space to accommodate them. He added that the expansion will provide 200 construction jobs during the project and 200 jobs after the expansion is completed.

Executive Director of the Duluth Entertainment and Convention Center, Dan Russell, said the city is providing \$7 million in local funds for the \$21 million project. He added that Duluth has the one of the busiest convention centers in

the country with an occupation rate of 75 percent. Sen. Linda Berglin (DFL-Mpls.) asked what Duluth officials would do if the state appropriated less than the \$14 million that has been requested. Russell added that the scope of the project has already been scaled back from an original proposal of \$28 million and if the city can't secure state funding, the project probably will not go forward.

Minneapolis City Coordinator Kathleen O'Brien presented the city's convention center proposal to the conferees. O'Brien said Minneapolis is requesting that the state assume \$87 million in existing debt on the current convention center which will allow the city to issue \$150 million in bonds to complete construction of the expansion. O'Brien added that the city will finance the new bonds using the mechanisms that support the existing debt service on the facility.

O'Brien said the convention center brings an estimated 250,000 visitors to the state each year who spend more than \$187 million. O'Brien said the expansion effort was developed last year with the city and state and at the time had the governor's blessing. She added that if the state approves funding for the project,

construction on the expansion will begin in 1999 and be completed date in 2001.

Rep. Dave Bishop (R-Rochester) asked O'Brien what the city would do if the state does not assume the \$87 million in existing debt on the current convention center. O'Brien said Minneapolis would not proceed with the project except to complete land acquisition that has already begun and clear the land.

Senate Analyst Patrick McCormack presented conferees with background on the RiverCentre development in St. Paul. He provided documents outlining the provisions of the lease between the Minnesota Wild NHL franchise and the city of St. Paul.

McCormack said the RiverCentre development is designed to be anchored with a multipurpose arena, the future home of the Minnesota Wild hockey team. He said the state has been requested to provide \$65 million in bonding for the project, which has a total projected cost of \$130 million. He added that if the state provides that funding, St. Paul will issue bonds for \$30 million for the arena and the team will provide \$35 million.

McCormack said the city's \$30 million in revenue bonds will be paid for with \$1.4 million in annual revenues raised by a \$1 per ticket surcharge, and revenues from an outdoor marquee that will generate \$385,000 per year. He added that if the state should decide not to provide funding in any format, the city is required to provide the \$65 million. In addition, if the arena costs more than \$130 million, the team must bear any cost overruns.

Additionally, McCormack said the team owners will pay an \$80 million franchise fee, and have estimated that startup costs of \$10 million for the arena will accrue before the operation begins. He said the team will assume control over the arena, including potential operating profits or losses. McCormack said that the team's possible 25 year lease may be extended in five year intervals by the city after the first 10 years. He added that the team may withdraw from the lease after 10 years, but would have to pay existing state and city debt on the arena to do so.

St. Paul Mayor Norm Coleman told committee members that St. Paul's civic center is in need of both expansion and renovation and the city has partnered

Senate Briefly is a bipartisan publication of the Minnesota Senate Publications Office. During the 1998 Legislative Session, each issue reports daily Senate activities between Thursdays of each week, lists upcoming committee meeting schedules and provides other information. The publication is a service of the Minnesota Senate. No fee.

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with the Minnesota Wild to do just that. "I want to put the partisanship that has taken place outside this committee to rest," he said. He said the new arena and expansion of the convention center will add additional tax dollars and economic vitality to the city by revitalizing the core downtown.

Pam Wheelock, director of planning for St. Paul and the city's chief negotiator for the project, told committee members that the guiding principle in negotiations with the Minnesota Wild was to move away from a traditional rent structure for the arena and allow the team to keep revenue generated by their presence. She said the arena will generate an estimated \$8 million in tax revenue to the state each year and the city is pleased with the partnership. Coleman added, the Legislature has to make a decision whether it is going to treat St. Paul fairly like other cities requesting funds for convention center projects.

Sen. Jerry Janezich (DFL-Chisholm) said the public does not want this project because it is for a professional sports team. "One lesson I have learned in the last seven months is that the public does not want to spend tax dollars for these sports teams," Janezich said.

Berglin pursued a line of questioning regarding the arena's exempt status from paying property taxes. She presented a document from Senate counsel stating that, based on conversations with the Dept. of Revenue, the provision in the lease relating to the non-taxability of property leased in a municipal auditorium or municipal stadium would apply only to property that is used as a concession. She said the exempt status does not apply to instances in which an entire facility is leased by a for-profit venture. She added that because of this, the RiverCentre property will become taxable when leased by the Minnesota Wild. Wheelock replied that the city's understanding is that the property is tax exempt. She said the city would consult further on the issue and provide answers at a later date. However, she added that if the team was required to pay property taxes that money would be returned to the team under a clause in the lease stipulating that the team's monetary commitment is fixed.

Sen. Gary Laidig (R-Stillwater) asked a series of questions regarding specific provisions in the lease, including the provision concerning the \$35 million the

Minnesota Wild is contributing to building the arena. Laidig asked if the team owners will be able to recover their initial investment in the facility using revenues from the operation of the arena. Wheelock said there is nothing in the lease to say the investors can't recover the \$35 million, but that could only happen if the arena operates at a profit.

Chief Financial Officer for the Minnesota Wild Martha Larson also testified before the committee during the five hour hearing. Laidig also asked Larson if the investors could have their \$35 million contribution returned. Larson said that the team's contribution is not a paper investment, but if the team operates at a profit the investors could see a return. She added that the team could also operate at a loss and the investors would be responsible for that.

Cohen asked Larson if the team would object to the Legislature placing language in statute which would prohibit the investors from having the \$35 million returned out of any operating profits. Larson said she did not think language to that effect was necessary. Cohen asked Larson if the team would consider renegotiating the lease to protect St. Paul tax payers by freeing up additional revenue streams for the city to use to fund its contribution. Larson replied that she could not make any blanket statements on the issue, but she did say it would be unlikely that the team would give up any revenue streams they have under the current lease.

Ethics complaint heard

The Rules and Administration Special Subcommittee on Ethical Conduct met Weds., Mar. 25, to investigate a complaint made by Sen. John Marty (DFL-Roseville) against John Bergland, executive director, Minnesota Licensed Beverage Association, Inc. The panel, chaired by Sen. Ember Junge (DFL-New Hope), meets to consider ethics questions brought to the Rules and Administration Committee. Sen. Dennis Frederickson (R-New Ulm), Sen. Steven Novak (DFL-New Brighton) and Sen. Roy Terwilliger (R-Edina) also sit on the panel.

Marty said that the complaint against Bergland was about a possible violation of Senate Rule 76. The rule specifies that "A lobbyist shall not knowingly furnish false or misleading information or make a false or misleading statement that is relevant and material to a matter

before the Senate or any of its committees when the lobbyist knows or should know it will influence the judgment or action of the Senate or any of its committees thereon."

Junge said that the subcommittee's purpose at the hearing is to determine whether the complaint is true and to determine appropriate disciplinary action.

Marty said that Bergland distributed a flyer containing false or misleading information during the floor debate on the bill lowering the per se blood alcohol limit to .08 percent. Marty said the flyer falsely attributes to Katherine Burke-Moore, of the Dept. of Public Safety, "an estimate that of 1,800 people tested at .08 percent or .09 percent blood alcohol concentration, 98 percent drove themselves safely home or wherever they were headed before being stopped."

Marty said that central to the debate on the bill lowering the blood alcohol limit to .08 percent, is the question of whether drivers with a .08 percent level are safe or impaired. "It is Mr. Bergland's argument that such drivers are safe, but other groups testifying in committee said that such drivers are impaired. Both sides have a right to their opinions, but neither side has a right to provide false information," Marty said.

The subcommittee heard from both Bergland and Burke-Moore. Burke-Moore described the flyer and her conversations with Bergland. Burke-Moore said, "I feel Mr. Bergland intentionally used my name and reputation to provide false information--at the very least, Mr. Bergland needs to correct the misinformation."

Bergland said that there were differences and confusion over the words "arrest" and "charge" that gave rise to the false information. Further, Bergland said that he did not "knowingly" provide false information. He said that his credibility and reputation depended on providing accurate information. Bergland also said he "deeply regretted the incident and that he apologizes for the false information on the flyer."

Junge suggested that the participants in the complaint submit any additional comments in writing to the subcommittee by Fri., Mar. 27. At that time, Junge said, members would take the matter under advisement and hold another hearing the following week to make a determination.

Floor update

Friday March 20

Amendments okayed

The Senate passed two bills proposing amendments to the Minnesota Constitution, Fri., Mar. 20, after a significant amount of debate.

Acting under Special Orders, the Senate heard H.F. 113, carried by Sen. Steven Morse (DFL-Dakota). The bill's proposed amendment to the Minnesota Constitution extends until the year 2025 the period during which at least 40 percent of the net proceeds from the state lottery must be credited to the environment and natural resources trust fund, and changes the appropriation of the fund to maximize the long-term total return.

Morse provided a brief overview of the trust fund, stating that the fund was established in 1988 by a 77 percent majority of the voters. When it was created, said Morse, 50 percent of the lottery proceeds went to the fund. Tight budgets led to the appropriation being cut to 40 percent, but that 40 percent was constitutionally dedicated in 1990 by a 75 percent majority of the voters, he said. "The support for this has not weakened," said Morse. "We did a poll last year that found that 87 percent of the public felt it was very important that we protect our lakes, farmlands, open spaces, and other natural resources, and in fact 86 percent supported a permanent dedication of lottery proceeds to the trust fund," he said.

Morse said that the entire 40 percent of the lottery proceeds for the fund is currently directly deposited into the fund, and then the earnings from that money is spent on projects recommended by the Legislative Commission on Minnesota Resources (LCMR). "The current balance of the trust fund, in light of the tremendous market we've had for the investments, is approximately \$220 million," said Morse, noting that this year's lottery deposits into the fund total \$25 million.

Morse said that a total of \$22 million was dedicated for projects in the current biennium, and compared that to requests to the LCMR totaling over \$203 million.

Language in the bill, said Morse, changes the expiration of the dedication from the end of the year 2000 to the year 2050, and changes the investment policy. He said the language in the bill is identical to the language already passed for the children's trust fund, which allows

the State Board of Investment (SBI) to adapt their investment practices to maximize the long-term total return to the fund. "Instead of defining what we can spend from earnings from the fund, we allow up to 5.5 percent per year to be spent from the fund," said Morse. He said that this gives the SBI the discretion to invest in more stocks and equities, and fewer bonds, which may at times not have as high a rate of return.

He offered an amendment that he said cuts the dedication time to the fund in half, until the year 2025. He said that when the fund was created in 1988, the idea was to create a \$1 billion endowment for the environment, noting that in terms of 1988 dollars, the lottery funds would have to be appropriated to the trust fund until the year 2050 to reach that level. "But 50 years is an awful long time and I've had a number of people express concerns to me about dedicating it for that long," said Morse.

Sen. Claire Robling (R-Prior Lake) said she supported the amendment, noting that her 16-year-old daughter wouldn't be able to vote on the proposed amendment to the Constitution this year, and wouldn't be able to vote on it again until she was 68. "I think it's important that we call this to people's attention for each generation," said Robling.

The amendment was adopted.

Sen. Douglas Johnson (DFL-Tower) told Morse that he had questions regarding the use of the money. "I know that you and I agree that wastewater treatment needs in this state are inadequately funded, and it's my understanding that the language in the bill will allow the principal to be used, and more revenue will be generated," he said. He said that he wasn't sure whether it was oversight or not that prevented monies in the fund from being used for wastewater treatment, but understood that the bill allows for that allocation.

Morse replied that the bill specifically states that loans may be made for water system improvements, but said that the trust fund just reached the \$200 million threshold this year. "There hasn't been a lot of money in the principal to use, but I think it would make a lot of sense to start looking at that now," said Morse. "If you take five percent it's not a tremendous amount, but it can make quite a difference if it is used properly," he said.

"I hope members pay attention to what

is going on here," said Sen. Dan Stevens (R-Mora). He said that if you look at the information on the fund handed out by Morse, the monies have been used to fund areas such as trails. "Clean water has been the number one issue with the public," said Stevens. "A PCA report estimates we have a \$1.2 billion need for wastewater treatment, and we're spending money on parks and trails," he said. He said that he couldn't support the bill.

"Nobody has advocated longer or harder for adequate funding for wastewater in the state of Minnesota, at least in recent years, than myself," said Morse. He said that the law presently prevents money from the trust fund to be used for purposes of municipal water pollution control. He said the fund was set up to look at long-term issues, not for present waste problems. He said that it might make sense to use the funds for wastewater treatment, but that he is unsure whether it is in the long-term best interest of Minnesotans to use the money that way.

Stevens said that he didn't hear anything stating that recreation was part of the original intent of the bill, and asked Morse if there was any kind of a system for rating projects.

Morse replied that the process begins the year before projects are named. He said that the LCMR takes a number of fact-finding trips and asks the public what the projects should be. The LCMR sets up a strategic plan and a way to rank projects, he said, and then ranks them. Morse said that the projects are based on the public input, and will shift over the years reflecting changes in public sentiment.

"I wish we had this much interest in funding wastewater when we had the capital bonding bill before us, because I think we've funded things of much less significance," said Morse.

The bill was passed 62-3.

The Senate also passed another bill under Special Orders amending the Minnesota Constitution to guarantee the constitutional right to hunt and fish. S.F. 41, authored by Sen. Bob Lessard (DFL-Int'l. Falls), proposes a question to be answered by the electorate during the 1998 general election. The question asks whether the Minnesota Constitution is to be amended to give the public the right to fish, hunt, and take game in a safe, sustained-yield manner, subject only to

reasonable restrictions related to harvest, licensure, seasons, limits, methods, times and locations.

Lessard discussed the importance of hunting to Minnesota, and said that Minnesota has the highest per capita hunting population of any state except Wisconsin. He said that S.F. 41 is the same bill that the Senate passed overwhelmingly two years previously.

"If we offer the constitutional right to hunt and fish," said Sen. Ellen Anderson (DFL-St. Paul), "then we should also offer a constitutional right to clean air and water. That's what makes Minnesota unique." Anderson offered an amendment adding the right to clean air and water to the bill. Anderson said that hunting and fishing is now a recreational pastime, and is no longer necessary for survival. She said that hunting and fishing are dependent on clean air and water, which are much more basic rights. "If anything is deserving of constitutional protection, this is," said Anderson.

Lessard said that the amendment was a good one, but questioned the germaneness of the amendment to his bill.

President Allan Spear (DFL-Mpls.) ruled the amendment germane, noting that it amends the language of the constitutional amendment before the body.

"This is a blatant attempt to kill this bill," said Lessard, noting that he was not going to appeal, but ask for a vote instead.

The amendment failed 21-40.

Sen. Linda Runbeck (R-Circle Pines) also offered an amendment to the bill, asking the electorate in 1998 if the Minnesota Constitution should be amended to provide for the automatic refund of certain excess state tax revenues. After Sen. Steve Murphy (DFL-Red Wing) questioned the germaneness of the amendment, Spear ruled the amendment not germane. Sen. Warren Limmer (R-Maple Grove) appealed the ruling, which was upheld by a 52-13 vote.

Runbeck then moved under Rule 37 that the germaneness ruling be suspended for the purpose of adding her amendment. "It seems to me that we should put the taxpayer first before the spenders," she said.

Under a roll-call vote, the motion did not prevail.

Speaking against the bill, Sen. John

Marty (DFL-Roseville) said S.F. 41 does not mention time limits for hunting, or restrictions on allowable species. "We'd better make sure we are not overstepping our bounds," said Marty. "I think when we put things in the Constitution we need to be a little more careful than this," he said.

Also speaking against the bill, Anderson said that putting a hobby or sport into the Constitution is belittling the Constitution.

The bill passed 50-14.

Sen. Ember Junge (DFL-New Hope) then moved that S.F. 537, the bill prohibiting judges from refusing to adjudicate a defendant's guilt, be taken from the table, in order to finish the debate on the bill. Sen. Jane Krentz (DFL-May Township) moved to reconsider the amendment offered by Sen. Thomas Neville (R-Northfield) that was adopted on Wednesday. The amendment allows a court to stay the adjudication of a defendant's guilt if the parties agree to a stay, or if the court determines that a manifest injustice would occur unless the adjudication of guilt is stayed, and the factual basis for the determination is stated on the record.

Neville asked members to oppose the motion to reconsider. He said that information on particular cases had been circulating among some of the members, which might be responsible for the way they vote. He said that he wanted to caution everyone that each case is different and unique. "That's why judges judge them, and that's why we set policy. We're not as well equipped to evaluate the intricacies of a case," he said.

Debate on the motion moved into specifics of cases before the courts, before Krentz asked the body to remain focused on the motion. The motion to reconsider passed 63-0.

Neville then asked members to vote for the amendment. "There are three branches of government for a very good reason," he said.

Sen. John Hottinger (DFL-Mankato) said that there is a lot in the Neville amendment that he agrees with, noting that many cases settled in the courts can create bad law. But he said that the overriding principle to consider is the separation of powers, whether judges have the authority to go beyond the authority provided by the Legislature. "When that judicial discretion conflicts

with the separation of powers, the separation of powers wins," said Hottinger.

Spear said that the Neville amendment is a compromise that he feels won't necessarily lead to many of the horror stories mentioned by the body, and that he was going to vote for the amendment.

Junge requested a roll call vote for the amendment, which failed 22-42.

The bill was given final passage on a 44-19 vote.

Before adjourning, the Senate concurred with amendments by the other body to S.F. 2267. Sen. Steven Novak (DFL-New Brighton), sponsor of the bill, said that the bill fixes some provisions of the worker's compensation self-insurance program. He said that the other body added an amendment that repeals the sunset on a prostate cancer screening program. The Senate repassed the bill with the amendment on a 61-0 roll call vote.

Monday, March 23

Health care directive bill passes

A bill combining the advance health care directives or "living will" law and the durable power of attorney for health care law, S.F. 2050, sponsored by Sen. Ember Junge (DFL-New Hope), was passed by the Senate Mon., Mar. 23. The Senate also passed three other bills on Special Orders, and repassed two other bills after concurring with amendments made by the other body.

In her introductory remarks, Junge said that a task force studied the living will and durable power of attorney for health care laws and developed several recommendations for changes in the laws. One of the recommendations, Junge said, is to combine the two laws and the bill does just that. She said that the bill sunsets the current living will law, but existing living wills remain in force under the bill. Junge said that other provisions in the bill change and add definitions, allow more than one health care agent, provide for recognizing living wills written in other states, and prohibit assisted suicide.

A lengthy discussion ensued when Sen. Michelle Fischbach (R-Paynesville) offered an amendment requiring that a pregnant woman receive life-sustaining efforts long enough to give live birth when the woman has no health care directive in effect. Junge moved to

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amend Fischbach's amendment by limiting its affect to the third trimester of pregnancy. Junge argued that without her provision, a woman in the first or second trimester of pregnancy would have to be kept comatose until the baby was delivered. Junge stated that in the case of late term injuries to the mother, the standard medical practice is to deliver a viable fetus. In other cases, she said, reasonable medical practice prevails.

Fischbach opposed the amendment. She argued that a fetus that is two weeks short of the third trimester may be missed by Junge's amendment. However, Junge's amendment was adopted on a 35-32 roll call vote.

After deciding the applicability of Fischbach's amendment, Senate discussion returned to the amendment itself. Fischbach stated that the amendment presumes life if the mother has no health care directive in force. Sen. Deanna Wiener (DFL-Eagan) argued against the amendment, saying that people are tired of "narrow 'what if' provisions in the law." Some members objected to the wording of the amendment, specifically a provision requiring life-sustaining treatment for the woman and fetus if there is a "real possibility" that the fetus could survive to the point of a live birth. Sen. Ellen Anderson (DFL-St. Paul) described the term "real possibility" as "mushy." Anderson said that doctors should advise pregnant women to sign a health care directive for their pregnancies. The amendment was adopted on a 34-33 roll call vote.

Junge moved to further amend Fischbach's amendment to limit the applicability only to women who have a health care directive. Support for the amendment was voiced by Sen. Becky Lourey (DFL-Kerrick). She said that with the Junge amendment, the law only applies to people who've thought about the possibility of losing decision making capacity during the pregnancy. Lourey said that without the Junge amendment, the Fischbach amendment ties the hands of those who don't have a health care directive and their physicians. Sen. Tom Neuville (R-Northfield) asked what happens to pregnant women who don't have a directive. Junge responded that reasonable medical practice will prevail. Junge's amendment was adopted on a 35-32 roll call vote.

Sen. Steve Kelley (DFL-Hopkins) said

that although the bill requires health care providers to act in good faith, he thought that the liability immunity provided in the bill was too broad. Neuville agreed, saying that he objected to the whole bill for that reason. Kelley offered an amendment requiring health care providers to use "applicable standards of care" when following a patient's health care directive. Kelley's amendment was adopted on a voice vote and the bill received final passage on a 37-29 roll call vote.

Earlier the Senate considered H.F. 3042, sponsored by Sen. Steven Novak (DFL-New Brighton). Initially the bill only contained measures prohibiting "slamming," or tactics used by long distance telephone companies to switch a customer's carrier. Novak moved to substitute the other body's version of the bill for the Senate language, initiating a protracted discussion of the differences. Novak said that in addition to the language found in the Senate version, the House version also contains provisions for a biomass alternative energy project in Granite Falls, changes to right-of-way laws, technical changes and recodifications. Novak said that the provisions were passed by the Senate in other bills.

Kelley offered an amendment allowing the city of Moorhead to decide by a simple majority vote to construct a new telephone exchange. Kelley said that currently the law requires a 65 percent majority vote to authorize a new exchange. He said that in a recent Moorhead election on the issue, a majority favored the proposal, but it failed because it didn't receive the required super majority. Kelley explained that US West is constructing a high speed phone system in the city of Fargo. With the amendment, the people of Moorhead can hold another election to authorize a similar phone system, and thus will not be at a competitive disadvantage compared to Fargo for businesses that choose to locate in the area. Sen. Keith Langseth (DFL-Glyndon) also spoke in favor of the amendment. He said the provision allows the public sector to put pressure on the private sector to provide better service. But Novak opposed the amendment. He said the amendment adds controversy to the bill and will likely cause the entire package to be vetoed. The amendment was rejected on a voice vote. The bill was granted final passage on a 67-0 roll call vote.

The Senate also passed S.F. 3397 by a 67-0 roll call vote. Sen. Allan Spear (DFL-Mpls.) author of the measure, said it was in response to Northwest Airlines' attempt last year to change Minnesota's franchise law. He said the Senate has a tradition of not passing bills that affect current litigation and that Northwest's lobbyist said in a committee hearing that there was no litigation at the time that would be affected by changing the law. Spear said that later the lobbyist told a few Legislators about a case in Maine that the legal change would impact, but no general notice of the case was given to the Legislature. He said that the bill removes the effect on the pending litigation.

Several state labor contracts were ratified by Senate passage of H.F. 3068, carried by Sen. Carol Flynn (DFL-Mpls.). Flynn said the bill also contains provisions for an early retirement incentive for Bureau of Criminal Apprehension forensic laboratory technicians. She successfully offered amendments setting the cap on the salary for the commissioner of the Iron Range Resources and Rehabilitation Board and the current salary of the director of the Higher Education Services Board. The bill received final passage on a roll call vote of 59-8.

The two concurrence and repassage votes occurred on mortgage lending bills. Sen. Linda Scheid (DFL-Brooklyn Park), author of S.F. 2966, the Minnesota Residential Mortgage Originator and Servicer Licensing Act, said the other body made some technical and stylistic changes. The bill passed 54-0. Sen. Sam Solon (DFL-Duluth), said that his bill, S.F. 2489, provides protection when mortgage lenders go bankrupt, and that the House added an amendment covering not-for-profit lending institutions. It was re-passed 58-0.

FAS bill passed

The floor session, Weds., March 25, was devoted to lengthy debate over the issue of partial-birth abortions. Most of the discussion centered on amendments, offered by Sen. Thomas Neuville (R-Northfield) and Sen. John Hottinger (DFL-Mankato), to a fetal alcohol prevention bill. The debate had been held over from an earlier floor session.

Author Sen. David Knutson (R-Burnsville) first presented H.F. 3184, a

bill providing for voluntary reporting of alcohol abuse by a pregnant woman. He said his bill was the result of yearlong efforts by a Fetal Alcohol Syndrome (FAS) Task Force headed by First Lady Susan Carlson. Knutson said the FAS reporting bill is modeled after current law and regulations governing reporting of drug abuse. He said the bill defines an abuser of alcohol as someone who has required detoxification treatment, and is determined to be an alcoholic through a validated chemical use assessment. The bill provides that mandated reporters, such as physicians and social workers, may arrange for a chemical use assessment, or file a report with the local welfare agency or maternal child substance abuse project, if the mandated reporter believes that a pregnant woman has knowingly abused alcohol during the pregnancy. Knutson said the bill is a first step in preventing the lifelong burdens placed on families and state agencies dealing with the effects of FAS. He said the cost to Minnesotans in providing health and support services for children who suffer from the syndrome reaches millions of dollars per year.

Neuville then offered the same amendment he presented to the Senate in the Mon., Mar. 16, floor session. The Neuville amendment prohibits partial-birth abortions except to save the life of the mother, provides for civil action against the mother, and imposes criminal penalties against a physician who performs the abortion. He acknowledged that a recent Supreme Court decision not to hear a Ohio case, which strikes down legislation banning partial-birth abortions, complicated the ability of his provision to withstand constitutional scrutiny. He said 22 states have laws on books banning partial-birth abortions and urged Senators to stand tough on the issue. He said, "This is a grisly procedure that comes too close to infanticide."

Hottinger then offered an amendment to the Neuville amendment which he said would strengthen, not weaken, a ban on the procedure which he said most people find objectionable. He said his amendment uses accurate medical terminology for the intact dilation and extraction procedure, matches the definition of abortion with scientific descriptions and current law, bans the procedure at any time where there is a

realistic possibility of maintaining and nourishing life outside the womb, offers exceptions to preserve a woman's health and life and in cases of severe fetal anomalies that are incompatible with sustaining life, and provides for administrative rather than civil remedies if a physician violates medical practice and ethical standards. He said, "Why should we march lock-step down a path that is doomed to failure. We Minnesotans can find creative solutions to our own problems. This amendment, unlike Neuville's amendment, can pass constitutional muster."

Neuville responded that he opposed the Hottinger amendment to his amendment. He said the language was vague, ambiguous and inconsistent with language used in state law and national legislation on the issue. He said Minnesota would stand alone in defending the provision in courts. He said the provision allowing exceptions to preserve the health of women was too broad and should only be allowed to save the life of the mother. Sen. Michelle Fischbach (R-Paynesville) stood in favor of the Neuville amendment. Sen. Dick Day (R-Owatanna) said, "Don't be tricked into voting for an amendment that does not impose a real ban on partial-birth abortions. I urge members to defeat this proposal."

Sen. Jane Ranum (DFL-Mpls.) said, "I urge members to vote for the Hottinger amendment if you want a real solution. This amendment provides common ground." Sen. Deanna Wiener (DFL-Eagan) and Sen. Ellen Anderson (DFL-St. Paul) said the Hottinger amendment addresses the issue in a way that most closely matches public opinion. They said most Minnesotans oppose late-term abortions in cases where the fetus is viable. They said the Neuville amendment bans the procedure in the first or second trimesters, which is unconstitutional.

The Hottinger amendment to the Neuville amendment was adopted, with all members present and voting, on a 35-32 roll call vote. Neuville then withdrew his amendment. The bill, H.F. 3184, was granted final passage on a 67-0 unanimous roll call vote.

Sen. LeRoy Stumpf (DFL-Thief River Falls) presented H.F. 3854, a bill memorializing Congress and the president to

resolve a fishing rights dispute between residents of Minnesota's Northwest Angle and Canada. Stumpf said the bill was drafted in response to a movement in the Angle to secede from the Union as way to draw attention to their plight. Stumpf said the provincial government in Ontario had imposed punitive and restrictive measures designed to limit free trade and harm the standard-of-living of Minnesotans who reside and operate businesses in the Northwest Angle. These punitive measures include tags, border permits, reduced fish limits, and most recently, a requirement that only tourists who stay in Canadian resorts are allowed to catch and keep their fish limit. With no discussion, the bill was granted final passage on a 64-1 roll call vote.

Thursday, March 26

Campaign practices bill approved

The Senate took up only one bill on Special Orders during a short session Thurs., Mar. 26. Sen. Ember Junge (DFL-New Hope) carried H.F. 2277, requiring a candidate who violates fair campaign practices, as defined in state statute, to return all or part of the public subsidy the candidate received for a general election or a special election, in an amount determined by the court. Junge said, "Candidates can receive significant public subsidies for their campaigns. The idea that they may have to return all or part of the subsidy if they violate election laws or fair campaign practices is a very strong incentive for candidates to abide by the law." The bill also requires the written permission of an organization before campaign material can state that the organization supports a certain candidate or ballot question.

Sen. Mark Ourada (R-Buffalo) offered an amendment deleting the requirement that campaign practices violators return the public subsidy. He said there are already enough campaign laws in place by which candidates have to abide. "At the Senate level, you almost need a full-time accountant on the campaign already," he said. The amendment was defeated 16-46 on a roll-call vote.

Sen. Warren Limmer (R-Maple Grove) offered an amendment which he said is a compromise between Junge's position and Ourada's position. His amendment requires a candidate who violates fair

Conference update

campaign practices to return all or a portion of the public subsidy that involved the specific violation. The bill authored by Junge requires the return of all or part of the entire public subsidy, to be determined by the court. Limmer said the bill goes too far and that a more reasonable step would be to focus the cost to the violator on the specific violation. Junge said the bill does allow the court discretion in deciding what amount of the public subsidy is to be returned by the violator. She said the possibility of having to return all of the public subsidy money, however, provides strong incentive to obey the law. The Limmer amendment was defeated 26-38 on a roll-call vote. H.F. 2277 was granted final passage 55-7 on a roll-call vote.

Two conference committee reports were adopted and repassed. One is the report on S.F. 2119, a bill relating to municipalities contract bid specifications, and design and construction standards, authored by Sen. Janet Johnson (DFL-North Branch). The report was repassed 59-0 on a roll-call vote. The other is the report of S.F. 2730, authored by Sen. Martha Robertson (R-Minnetonka), relating to Department of Administration information systems and technology housekeeping provisions. The report was repassed on a 59-0 roll-call vote.

Conference Committees

Capital budget conference

Comparison continues

The conference committee on the capital budget bill, H.F. 3843, met Fri., Mar. 20, to continue comparing the two positions on the bill. Rep. Henry Kalis (DFL-Walters), who chaired the meeting, set forth a schedule for the coming week. He said that the committee will hear testimony from state agency personnel on agricultural and environmental issues on Monday, on K-12 and economic development issues on Tuesday, St. Paul requests on Wednesday and higher education requests on Thursday.

Resuming the comparison, discussion centered around a Senate provision requiring political subdivisions to complete predesign work at their own expense before submitting a capital budget request to the Legislature. Kalis spoke against the provision, saying that the more provisions the Legislature puts

in statute, the more local government units become dependent on the state for funding. Support for the provision came from Sen. Richard Cohen (DFL-St. Paul) who said that Legislators don't always have enough information to make decisions on capital projects. He countered Kalis' claim and said that local government representatives are already present at the Capitol. Cohen said that the provision establishes a process for local governments to participate in the capital budget process and that it will have a winnowing effect on the number of requests. Future Legislatures can still circumvent the requirement, Cohen added.

Kalis asked what the effect of the provision would be on smaller communities. Cohen conceded that larger cities are better able to afford the predesign work, and said that he was open to a provision exempting smaller communities. Rep. Karen Clark (DFL-Mpls.) said that some neighborhoods in Minneapolis have more people than some counties, but don't have sufficient resources of their own to fulfill the predesign requirement. Cohen responded that he didn't want to make things more difficult, but that there needs to be a process. Rep. Steve Trimble (DFL-St. Paul) raised a question about the provision's effect on non-political subdivisions, such as the funding request from St. Paul's Penumbra Theater. Cohen said the provision would have to be carefully written to accommodate those types of groups.

Both bodies have provisions requiring that departmental operating budgets include maintenance costs, but the House language sets the default amount at two percent while the Senate language requires that the chairs of the appropriate Legislative committees be consulted on the maintenance budget line items. Both versions of the bill also specify that building improvements do not require Legislative authorization if the improvement is to preserve the building, comply with codes, does not substantially increase the building's square footage and does not increase the cost of the agency's programs. In addition, the House specifies that unless an urgency exists, improvements costing more than \$50,000 require notification to the appropriate Legislative committee chairs.

Gene Gear, of the Dept. of Natural Resources (DNR), said that the Senate

proposal contained a provision allowing the DNR to implement a statewide electronic licensing system. He said that the original pilot project authorization was limited to four counties, but the department received few responses to a request for proposals because the prospective contractors were concerned that their overhead costs would be greater than their revenues if the system is not statewide.

In addition, the Senate language contains several environmental provisions. The Senate bill raises the limit on funds from the water pollution control revolving fund that may be used for the agricultural best management practices program to \$50 million; creates an urban whitewater trail on the Mississippi River below St. Anthony Falls; raises the grant limit to \$500,000 for natural and scenic area acquisition; establishes a new program for grants up to \$250,000 for regional trail right of way acquisition; raises the amount available from the water pollution control revolving fund for the clean water partnership loan program to \$36 million; and raises the priority of a project to repair a facility that threatens to pollute the Boundary Waters Canoe Area Wilderness; defines international and domestic outstanding value resource waters; and requires municipalities planning to construct a new wastewater treatment facility to coordinate the project with nearby municipalities. None of the Senate provisions have corresponding House provisions.

Both versions of the bill establish a redevelopment grant program. However, the Senate places priority on grant applications from areas that are impoverished or recently experienced a natural disaster. Both bills also authorize grants to construct or rehabilitate certain kinds of children's facilities. However, the Senate is more restrictive on the types of facilities that qualify for the grants while the House authorizes youth labor under the Youthbuild Program for the work.

A wastewater treatment facility construction grant program for municipalities receiving federal assistance is contained in both versions. Trimble said that the House version excludes wealthier communities from the program.

A House provision requires the Dept. of Transportation, the Metropolitan Council and regional rail authorities to coordinate the development of light rail

transit. Another House provision establishes a convention and civic center planning and coordination commission to regulate the development of facilities throughout the state. Both provisions are unmatched by the Senate. Cohen questioned the need for the convention center commission, but Trimble said that there has been an overwhelming number of requests from cities in Minnesota for grants to build the facilities. Trimble said that the commission will ensure that Minnesota cities don't use the grants to compete against each other for convention business.

Testimony heard

The Capital Budget Conference Committee met Tues, Mar. 24, to hear testimony regarding several differences between the Senate and House versions of the omnibus capital budget bill, H.F. 3843. The committee was chaired by Rep. Henry Kalis (DFL-Walters).

Conferees heard testimony in favor of a direct iron reduction processing facility. The House bill includes \$22.5 million for the Dept. of Trade and Economic Development while the Senate bill appropriates \$9.7 million. Of those appropriations the House appropriates \$20 million for direct iron reduction facilities while the Senate appropriates \$3 million for the same program. Direct iron reduction is a process where iron ore is converted to iron below the melting point, thus allowing the iron to remain in a solid state.

Chuck Williams, of Evtac Mining, said his company is one of seven taconite producers in Minnesota's Iron Range that need the expenditure to remain competitive in the world market place. "Technology has passed us by and we need to catch up," Williams said, "We need to bring some of the processing money back to northeast Minnesota."

Ann Glumac, representing Iron Mining Associates, said the taconite industry generates \$1.2 billion in Minnesota each year. She said the industry produced 27 million tons of taconite in 1997 and the direct reduction facility will enable the industry to smooth out some of the price peaks and valleys seen in recent years.

The House bill offers twice the funding of the Senate bill for the Minnesota Historical Society. The House version totals \$12.2 million for projects including \$1 million for the Northwest Company Fur Trading Post, and \$5 million for the

St. Anthony Falls Heritage Center. The Senate version contains no funding for either project.

Nina Archabal, director of the Minnesota Historical Society, said the society is planning to build the center and trading post to provide education about the state's economic history. She said the society also plans to build several classrooms to provide a place for instruction, but she added, the visitors' center is the society's top priority. Dave Kelliher, also of the Historical Society, said the society will raise private funds to match the state's contribution, but in order to make the project a reality, \$5 million is needed from the Legislature.

The Dept. of Children Families and Learning receives a total of \$62.1 million in the Senate bill and \$49.2 million under House provisions. The House provides \$7 million in funding for a West Metro Magnet School while the Senate provides \$14.5 for the project. The Senate version contains \$13.2 million for a Southwest Metro Magnet School, and \$1.9 million for the Downtown Magnet School. The House bill contains no funding for either project.

Carol Johnson, superintendent of Minneapolis Public Schools, said the Downtown Magnet School needs \$1.9 million to open because the funding received from the Legislature in 1994 was not adequate to meet the project's cost. She said one aim of the magnet schools is to support voluntary integration of students in the nine district consortium. She added that the interest of parents in enrolling their children in the magnet programs has out paced the supply of spaces.

Edina Public schools Superintendent Ken Dragseth said the programs are ready to move forward with land provided to the school districts, but full funding is needed from the Legislature. "Parents love the concept and the program has been shown to narrow achievement gaps," Dragseth said.

The House version includes \$2 million for library accessibility grants, and \$1 million for the McLeod West Interdistrict Co-op. The Senate version does not include funding for either of the programs. Chair of the Minnesota Library Association Bill Asp testified that the \$2 million will be spent to remove architectural barriers to ensure access to libraries around the state for disabled citizens. He

said the changes that are needed include installation of lower drinking fountains, power access doors, accessible bathrooms, and wider book stack aisles. Asp added that 72 percent of the libraries in the state need to improve facilities to come into compliance with the Americans with Disabilities Act.

Mike McLaughlin, McLeod West Superintendent, said the grant is needed from the Legislature if the district expects to put together a building plan that local voters can both afford and support. He said the current school facilities, though well maintained over the past 75 years, are now in need of major upgrading to meet handicapped accessibility requirements, State Fire Marshall mandates and to provide a safe and attractive environment conducive to learning.

Crime prevention conference

Omnibus crime bill reviewed

The Crime Prevention and Judiciary Conference Committee met Fri., Mar. 20, to again review the House and Senate versions of the omnibus crime bill, S.F. 3345. The panel was chaired by Sen. Randy Kelly (DFL-St. Paul) and Rep. Mary Murphy (DFL-Hermantown).

Senate conferees presented a counteroffer on appropriations in response to a House budget proposal offered last week in the committee. Kelly said, "This committee has heard and resolved many issues. The budget proposal before you today represents much thought and compromise. There is not much more we can offer." Sen. Allan Spear (DFL-Mpls.) said he was pleased with the general spirit of cooperation and progress made in ironing out differences in the committee.

The Senate counteroffer recommends appropriations in FY 1998 and 1999 of \$1.1 million for the Supreme Court versus \$1.357 million in the House; \$207,000 for the Court of Appeals, which matches the House proposal; \$1.222 million for the District Courts versus \$1.075 million; \$25,000 for the Board on Judicial Standards versus \$30,000 from House conferees; \$1.030 million for the Public Defender versus \$1.121 million; \$2.758 million for the Dept. of Corrections versus \$2.573 million; \$183,000 for the Bureau of Criminal Apprehension versus \$283,000; \$800,000 for law enforcement and community grants versus \$560,000; \$204,000 for the Peace

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Officer Standards and Training Board versus \$100,000 in the House version; \$50,000 for the Fair Housing Initiative versus \$300,000; \$40,000 in the Senate version for Minnesota Board of Invention grants and \$15,000 in the House version; and a Senate recommendation of \$200,000 for a bail study by the Dept. of Administration versus \$150,000 in the House recommendation.

The Senate and House conferees, however, reached agreement in funding levels for public safety administrative and related services (no funding); Ombudsman for Corrections (\$20,000); emergency management services (\$148,000); the fire marshal's arson investigative database program (\$170,000); and the Crime Victim Ombudsman (\$304,000).

The committee then discussed amendments regarding the wearing of motorcycle association insignia, a pilot project in the public defender's office, and harassment crimes committed against peace officers. Sen. Dave Knutson (R-Burnsville) offered an amendment, which was adopted, that prohibits denying access to places of public accommodation to people who operate a motorcycle or wear motorcycle club insignia on their clothing. The amendment further allows for punitive damages, not to exceed \$500, in cases where motorcycle clubs have been denied access. Another amendment, offered by Rep. Wes Skoglund (DFL-Mpls.), provides that anyone who knowingly makes false allegations against a peace officer, with the intent of influencing the officer's performance of official duties, is guilty of a gross misdemeanor. The committee adopted the amendment.

Lastly, the committee discussed an amendment, offered by Sen. Thomas Neuville (R-Northfield), but took no action. The amendment provides that public defenders from the second and fourth judicial districts become state employees if hired on or after July 1, 1998, and those hired before that date will remain employees of Ramsey and Hennepin Counties. The amendment further establishes a six-year pilot project to compare the performance and cost-effectiveness of public defenders hired under private contract versus state employment. Committee members disagreed over the value of the latter provision and agreed to further study the matter.

House proposal reviewed

The Tues., Mar. 24, meeting of the Crime Prevention and Judiciary Conference Committee was devoted to reviewing a new House proposal for resolving differences between House and Senate versions of the omnibus supplemental budget bill. The bill, S.F. 3345, sets forth additional funding for the Dept. of Corrections, the Courts and the Dept. of Public Safety.

Members, chaired by Rep. Mary Murphy (DFL-Hermantown), also considered a number of amendments offered by both House and Senate members. The total appropriations for both the latest House and Senate versions is \$8.461 million. However, individual appropriations differ throughout the bill. The two versions appropriate differing amounts for Supreme Court programs, with the Senate providing \$1.1 million and the House appropriating \$1.295 million. The latest House proposal accepts the Senate proposal for public defenders except for the effective date. The Senate version provides that after July 1, 1998, new public defender employees in the 2nd and 4th Judicial Districts will be considered state, rather than county, employees. The House version specifies a July 1, 1999 date. Both versions appropriate \$207,000 for the Court of Appeals, \$20,000 for the Ombudsman for Corrections, \$148,000 for Emergency Management, \$304,000 for the Crime Victim Ombudsman, and \$170,000 to the State Fire Marshall for an arson investigative database.

The two proposals provide differing amounts for salary equity adjustments for District Court law clerks, differing appropriations for various Corrections Dept. community services programs, and differing appropriations for law enforcement and community grants. The bills also contain different appropriations for the Peace Officer Standards and Training Board, the Dept. of Human Rights and the Dept. of Trade and Economic Development.

The latest House proposal provides an appropriation to the Metro State School of Law Enforcement through MnSCU, for a center for applied research and analysis. In addition, the House proposal specifies that Metro State conduct the guilty but mentally ill verdict study required in the Senate version. The Senate version had appropriated the funds to Metro State

through the POST Board for the same purpose. Both the latest versions appropriate funds to the Legislative Audit Commission for crime related studies, but the House version totals \$175,000 and the Senate version totals \$200,000.

The latest House proposal continues the House position on the Sauk Centre sex offender program but does adopt the Senate position on the delay of opening the facility in Brainerd. The proposal also maintains the House position on mandatory sentences for dangerous and repeat offenders, pretrial release conditions, Dept. of Corrections educational assessments and the sentencing for methamphetamine sale, possession and manufacture.

All the amendments clarified positions already staked out in the bill. Three amendments were proposed by the Senate members. The first clarified that the Dept. of Human Services and the Dept. of Corrections are to conduct a study on issues involving sexually dangerous persons and persons with sexual psychopathic personalities. Further, the study is to examine the current system of treatment, commitment, and confinement and alternatives to the current system.

A second amendment provides that members of the crime alert network may be charged a fee for the services that the network provides in order to partially offset the cost of the network. The final Senate amendment clarifies that the Dept. of Corrections study on health care costs must propose a strategy to reduce health care costs closer to the national average.

Members also considered several amendments offered in conjunction with the House proposal. Most of the discussion concerned an amendment outlining the House position relating to an appropriation for a community work crew house construction project, the operation of Sauk Centre, a moratorium on licensing juvenile facilities and a study relating to juvenile placement.

Sen. Randy Kelly (DFL-St. Paul) then led conferees in a discussion of the bed impact of the sentencing enhancements the panel has already adopted. Assistant Commissioner Dennis Benson, Dept. of Corrections, said that departmental estimates indicated that the two year bed impact of provisions already endorsed by the panel amount to 113 beds at a cost of \$1.928 million. Kelly said, "We will

need to think long and hard about enacting sentencing enhancements. The original Senate bill had a 250 bed impact and the original House bill had about a 500 bed impact. Sen. Allan Spear said that amendments added on the Senate floor increased the bed impact of the Senate bill by about 100 beds. Kelly said he intends to offer an amendment proposing a four year moratorium on sentencing enhancements.

Economic development conference

Many provisions adopted

The economic development supplemental budget conference committee continued their work on a compromise agreement during a Mon., Mar. 23, meeting. The panel began by working on language provisions of the bill with the plan of deciding appropriation amounts later.

The committee adopted a provision allowing the Bureau of Mediation Services (BMS) to charge cities and counties for mediation work resulting from the community based planning program. The provision was necessary because the Minnesota Municipal Board, an agency that would be involved in the mediation of the planning process, was sunset in other legislation. Rep. Steve Trimble (DFL-St. Paul), chief House conferee, sponsored a provision in the House proposal to delay the Municipal Board's sunset. He said that the without the delay, the economic development package would need to appropriate more money to the BMS, but he objected to having to pay for the effect of legislation adopted by another committee. By allowing the BMS to directly charge the involved parties, the need for a state appropriation or an extension of the Municipal Board was eliminated.

Trimble offered an amendment to adopt the Senate language for an appropriation to the Minnesota Historical Society to develop Hmong archives. Trimble added language to study the feasibility of developing the archives of other ethnic groups, such as Tibetans and Somalis. The amendment was adopted. Trimble also successfully offered amendments that shifted an appropriation for the St. Croix Heritage Center to the Dept. of Natural Resources and shifted an appropriation to preserve eight Civilian

Conservation Corps cabins to the Minnesota Historical Society. Trimble also offered an amendment extending the availability of a previous appropriation to bring the LeRoy Nieman Museum of Art to St. Paul. Trimble clarified that the provision doesn't appropriate additional money for that purpose.

The committee spent considerable time discussing a proposal to allow an unused appropriation from last year to be redirected to a biomass alternative fuel generating plant in Granite Falls. The committee adopted language allowing, but not requiring the commissioner of the Dept. of Economic Development to transfer the earlier appropriation, but only if the project met certain requirements.

Sen. Tracy Beckman (DFL-Bricelyn), chief Senate conferee, offered two amendments adopting House provisions. One amendment adopts a provision appropriating money for technology centers, the other adopted language authorizing the Humboldt Greenway project. Both amendments were adopted and the latter was re-referred to the capital budget conference committee.

Rep. Karen Clark (DFL-Mpls.) offered an amendment requiring an even geographical distribution of the Affordable Rental Investment Fund, and adopting the program language of the House. The amendment was adopted.

Sen. Ellen Anderson (DFL-St. Paul) offered an amendment imposing a penalty on employers who falsely induce people to change employers or place of employment. She said that the measure was an attempt to get at the employers with a history of bad employment practices rather than penalizing employers who fail to comply with a House provision requiring that an employee's rights brochure be distributed to all new employees at the time of hiring. The amendment was adopted. Anderson then successfully moved that the balance of the House employment practices provisions be adopted.

The committee then turned their attention to a provision found only in the Senate bill, the Uniform Unclaimed Property Act. The House delegation expressed reluctance to adopt the provision because of concerns expressed by Rep. Bob Gunther (R-Fairmont). Gunther said that he didn't like a Senate requirement that retailers report un-

claimed gift certificates to the Dept. of Commerce. The committee adopted an amendment, offered by Sen. Steven Novak (DFL-New Brighton), excluding gift certificates valued under \$100 and retailers with a total of outstanding gift certificates of \$10,000 or less. However, Trimble said that he thought the wording of the amendment allows retailers to not report outstanding gift certificates totaling in excess of \$10,000 if the certificates are valued below \$100, so the matter was laid aside.

Near the close of the meeting, the House delegation proposed new appropriation amounts for several adopted provisions. Beckman proposed minor adjustments to the House proposal which the House adopted along with a \$50,000 appropriation for a community art and cultural center in Delevan. The House proposal as amended was adopted, and the meeting adjourned.

Compromise reached

A final compromise agreement was reached by the economic development supplemental appropriations conference committee Tues., Mar. 24.

In finishing their work, the committee adopted provisions authorizing the Housing Finance Agency to study the feasibility of converting nearby residential housing for student use at Metropolitan State University and allowing the Minnesota Film Board to use up to \$50,000 of the revolving loan fund appropriation for administrative expenses.

Saying that the two issues were linked together in a train, and the train was about to leave the station, Rep. Steve Trimble (DFL-St. Paul), chief House conferee, turned the discussion to the Healthy Homes program and the Uniform Unclaimed Property Act (UUPA).

Sen. Ellen Anderson (DFL-St. Paul) successfully offered two amendments, one transferring responsibility for the Healthy Homes program to the Dept. of Commerce from the Dept. of Administration, the other removing warranty limitations under the program. With that, the committee adopted the House language of the Healthy Homes provisions and the Senate language of the UUPA.

Discussion then turned to a provision allowing collection agencies not licensed in Minnesota to have incidental contact with Minnesota residents. Sen. Dave Johnson (DFL-Bloomington) said that a

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constituent of his was receiving harassing contact from an out-of-state collection agency and he didn't want that kind of activity to increase. Commissioner of Commerce David Gruenes said that the provision grants reciprocity to collection agencies licensed in other states, but the problem is that the provision doesn't allow for consumer protection reciprocity. The panel agreed on allowing each out-of-state collection agency to have contact with up to 10 Minnesota residents per year.

The panel also adopted a House provision allowing the Public Facilities Authority (PFA) to focus its water infrastructure fund grants to smaller communities. Terry Kuhlmann, PFA director, said that the provision targets the program to projects with a fifty-fifty match from the U.S. Dept. of Agriculture.

Trimble moved adoption of a House provision allowing extension of re-employment insurance benefits to laid off workers in Hibbing and Worthington. Chief Senate conferee Tracy Beckman (DFL-Bricelyn) opposed the provision, saying that the measure was unfair because it should be available to everyone. Sen. Edward Oliver also opposed the provision. He said that the provision raises the re-employment insurance for all employers. The provision was not adopted. Beckman moved that all the recommendations be reported back to both the House and Senate for adoption and repassage. The motion prevailed.

Overall, the compromise agreement appropriates \$38.743 million from the general fund for FY 99. Of that amount, \$6.21 million is appropriated to the Dept. of Trade and Economic Development; \$200,000 to Minnesota Technology, Inc.; \$9.236 million to the Dept. of Economic Security; \$147,000 to the Dept. of Commerce; \$20.135 to the Housing Finance Agency; \$100,000 to the Dept. of Labor and Industry; \$40,000 to the Bureau of Mediation Services; \$189,000 to the Public Utilities Commission; \$130,000 to the Dept. of Public Service; \$250,000 to the Metropolitan Council; \$1.036 million to the Minnesota Historical Society; \$75,000 to the Council on Black Minnesotans; \$80,000 to the Indian Affairs Council; \$340,000 to the Dept. of Administration; \$75,000 to the Dept. of Natural Resources; and \$500,000 to the Center for Rural Policy Develop-

ment. The bill also appropriates \$155,000 from the general fund to the World Trade Center in FY 98 and \$3.71 million from the petroleum tank release fund to the Dept. of Commerce in FY 99.

Environment and agriculture conference

Feedlots, snowmobiles discussed

The Environment and Agriculture Conference Committee delved into the various provisions of the omnibus bill relating to feedlots and snowmobile studs, Thurs., Mar. 19.

Tom Delaney, a Chisago County commissioner, told the committee about damage done to a newly constructed local trail by snowmobiles with studs. "The good news," said Delaney, "is that a beautiful \$1 million trail will be unveiled on June 6th. The bad news is that within 24 hours of its completion this winter, a substantial amount of damage had already been done by snowmobiles with carbide studs."

Delaney said that the damage occurred despite the orange fencing and warning signs in place. He said that the only logical resolution to the problem of the damaging studs is a total ban statewide. "Local banning won't work," he said.

Language in both the Senate and House bills restrict the use of metal traction devices on snowmobiles. The Senate bill prohibits the operation of a snowmobile equipped with metal studs on the traffic lanes of hard-surfaced roads or trails, except that a local road authority does have the discretion to permit snowmobiles with studs to cross a hard-surfaced road. The Senate bill also states that the DNR may adopt rules that limit the use of nonmetal studs.

The House bill prohibits snowmobiles with studs from operating on public lands, roads, trails, or road or trail rights-of-way. The House bill permits the use of new metal studs on snowmobile trails after the DNR has studied and tested them on paved surfaces.

Rep. Doug Peterson (DFL-Madison) discussed numerous House provisions relating to feedlots, including provisions allowing a county to adopt more stringent ordinance standards for feedlots than Pollution Control Agency rules, and requiring the attorney general to provide legal assistance to counties that elect to

adopt, review, or modify feedlot-related ordinances. Co-chair Steven Morse (DFL-Dakota) asked Peterson if the provision allowing the counties to adopt more stringent ordinance standards was merely a clarification of existing statute. Peterson replied that that was the case. When Sen. Steve Dille (R-Dassel) asked whether it was necessary to provide legal assistance to counties for feedlot issues, Peterson replied that the funds would help counties to defend their ordinances in court.

Feedlot discussion continues

The Environment and Agriculture Conference Committee met Fri., Mar. 20, to continue discussing differences between the House and Senate provisions in the environment and agriculture supplemental appropriations bill.

The committee, co-chaired by Sen. Steven Morse (DFL-Dakota) and Rep. Tom Osthoff (DFL-St. Paul), discussed provisions relating to feedlots, the Minnesota Zoo, the Dept. of Natural Resources (DNR), cider pasteurization, Brown Creek, and the Board of Animal Health.

Two items that received a fair amount of discussion were the allocations for the Minnesota Zoo, and the language in the Senate bill determining when an environmental review is required for a feedlot facility.

Kathryn Roberts, of the Minnesota Zoo, told the committee about the zoo's dire financial condition, and answered questions regarding the House and Senate zoo provisions. She said that a number of unforeseen, unplanned events led to a \$2.2 million shortfall in the zoo's budget, which forced the zoo to make reductions in a number of areas. By holding positions vacant, cutting seasonal staffing, and reducing the utilities budget, the zoo was able to cut \$700,000, she said, which led the zoo to request \$1.5 million.

Events such as the large rainfall, an outbreak of crypto sporidium, and shark deaths led to decreased attendance, said Roberts. She noted that the attendance this year will increase over last year's, but not to the level needed to cover the budget shortfall.

Senate provisions in the bill allocate \$1.5 million for the zoo. The House provisions allocate \$500,000. No decisions were made regarding the funding differences, but a number of issues

surrounding the request were discussed.

Osthoff said that it seemed as if people's jobs were being held hostage by the request. Roberts replied that the zoo has not laid off any staff. Morse asked what percentage of the zoo's budget is made up of personnel costs. Jeff Higgins, the zoo's finance officer, said that there is a \$16 million total budget for the zoo. Of that, he said, \$9 million is for personnel expenditures, \$1 million for utilities, and \$3 million for animal collections staff and supplies. Answering Osthoff's question regarding the implementation of pay raises, Higgins said that the zoo gave \$350,000 in salary increases, which were required by contract.

Morse said that over the long-term, the Senate and House need to consider either taking over the zoo's debt service or increasing the zoo's operating subsidy. "If we want to have a zoo, then we have to provide some additional support," said Morse. He said that the zoo has been overburdened with debt service requirements.

"We can't sit here and let you keep getting bigger and bigger, while the debt service requirements keep going up," said Osthoff.

Discussions on feedlot issues centered around the Senate provision stating that the construction of a feedlot facility on a separate site must be considered a separate action for the purpose of determining whether an environmental review is required for the facility.

Doubts about the phase and connect language were voiced by Sen. Dallas Sams (DFL-Staples). "If it makes sense environmentally, I think we should do it. But I'm not convinced it does," he said.

Paul Hoff, of the Pollution Control Agency (PCA), discussed environmental assessment worksheets for feedlots. Hoff distributed information listing the circumstances under which environmental worksheets must be completed. The circumstances include any expanded or new total confinement feedlot project with more than 2,000 animal units, or any expanded or new partial confinement or open lot animal facility with more than 1,000 animal units.

Rep. Doug Peterson (DFL-Madison) likened the current environmental review language in statute to "letting the sun shine in." Osthoff and Rep. Willard Munger (DFL-Duluth) also expressed support for the present language.

Appropriations, riders presented

House and Senate conferees of the Environment and Agriculture Conference Committee each presented the first appropriations counteroffer proposals Mon., Mar. 23, with the goal of reaching the agreed-upon overall target of \$17.24 million

With Senate and House recommendations totalling \$19.56 million and \$14.92 million, respectively, for the FY 98-99 biennium, the \$17.24 million was agreed-upon as a middle ground for both sides to attain. The proposal of the House conferees makes a number of cuts and additions to their initial recommendations to reach the target.

The House proposal changes the initial recommendations for the Pollution Control Agency (PCA), the Dept. of Natural Resources (DNR) and Board of Water and Soil Resources (BWSR). The proposal increases two PCA initiatives for which there is no corresponding Senate appropriation, to increase the total PCA allocation to \$1.71 million. Individual sewage treatment system grant appropriations increase from \$750,000 to \$1 million for the FY 98-99 biennium, and an \$85,000 appropriation to Benton County for legal aid is added.

DNR appropriation totals in the House proposal increase to \$10.45 million for the FY 98-99 biennium, from \$3.12 million. Areas that receive the increased funding include state park building operations, state forest recreational areas, scientific and natural areas and prairie banks, metro greenways, stream protection, and aquatic plant restoration. The only DNR appropriation to be cut by the House is for the Sauk Dam, not funded by the Senate and cut entirely by the House. The House also zeroes out the \$200,000 Quad Lakes appropriation to BWSR, another project not funded by the Senate.

The Senate proposal changes the initial recommendations for the DNR, BWSR, and the Dept. of Agriculture. Like the House proposal, the Senate proposal makes a number of changes to DNR appropriations, increasing the overall appropriation for the agency from \$8.53 million to \$9.37 million. Increases are made to a number of initiatives, including state park building operations, RIM critical habitat, scientific and natural areas and prairie banks, trail acquisition and betterment, stream

protection and restoration, the whitewater trail on the Mississippi, an ecosystem-based workshop, Swede Hollow Park, brownfields, and the Forest Resources Council. The Senate proposal decreases funding for flood hazard mitigation and wildlife habitat management and inventory, two areas which still remain funded by the proposal.

The Senate proposal decreases BWSR appropriations from \$4.33 million to \$1.75 million. Cut entirely are appropriations of \$1.7 million and \$630,000 for RIM program administration and local government road repair, respectively. The proposal also decreases the dairy water quality grants appropriation from \$2 million to \$1.65 million, and cuts entirely the appropriation for tree breaks to serve as snow fences.

The Senate proposal decreases the total Dept. of Agriculture appropriation to \$3.01 million, from \$3.95 million. The appropriation for value-added processing is cut entirely, and funding for dairy diagnostics teams and milk market litigation is decreased. Allocations for beaver damage grants, manure digester initiatives, and a commercial manure applicator's manual are added.

The committee, co-chaired by Sen. Steven Morse (DFL-Dakota) and Rep. Tom Osthoff (DFL-St. Paul), discussed a number of initiatives in both of the bills. An amendment offered by Osthoff was adopted, changing the enforcement language for PCA air pollution violations in the House language. Kristen Applegate, with the PCA, told the committee that the amendment fixes the language that would have required the agency to report every action in excess of a permit standard, even if the action isn't a violation. The amendment requires the agency to only report violations, she said. Other amendments on which no action was taken relate to a House provision changing a loan for a carpet recycling company into a grant, changing provisions relating to personal watercraft safety certification and training, and allowing the DNR to limit certain uses of snowmobile studs.

Conference negotiations continue

Discussions continued in the Environment and Agriculture Conference Committee, Tues., Mar. 24, as House members presented their second appropriations proposal and Senate conferees

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presented proposed feedlot language along with their first appropriations proposal.

Members adopted a number of amendments relating to the DNR lakeshore lease lots, snowmobile studs, and personal watercraft (PWC) safety and surcharges, with relatively little discussion. Committee Co-chair Steven Morse (DFL-Dakota) offered an amendment directing the DNR to analyze the composition of the lakeshore lease lots within certain guidelines, and to follow certain guidelines for either the retention, sale, or exchange of the property.

Another amendment, offered by Morse, directs the use of natural resources fund monies in FY 99 for personal watercraft (PWC) safety education and law enforcement, and directs the study of gasoline consumption for watercraft usage and transport. The amendment also increases the PWC surcharge for enforcement from \$30 to \$50, in order to increase the number of conservation officers available for enforcement. Committee Co-chair Tom Osthoff (DFL-St. Paul) expressed concern with the DNR's ability to hire from protected classes for the increased conservation officer hires. Leo Haseman, with DNR enforcement, said that the department does its best to hire from protected classes, but if it has trouble recruiting for the positions, the department might have to come back to the Legislature to get approval to offer additional incentives.

An amendment, offered by Rep. Betty McCollum (DFL-North St. Paul), also relates to PWCs, adding a PWC educational course and testing program to already existing boating programs in place for persons age 12 to 18. Kim Elverum, with the DNR, said that the amendment "is a very inexpensive way of addressing the situation."

The snowmobile stud amendment, offered by Morse, makes a number of changes to allowable stud usage, and implements a \$40 fee for those who want to operate a snowmobile with studs attached. The fees collected are to be used for the repair of paved public trails or for grant-in-aid snowmobile trails. Morse said that the amendment provides an alternative to banning studs entirely.

A feedlot amendment, offered by Sen. Dallas Sams (DFL-Staples), was presented as a proposal for the House conferees to consider and discuss. The amendment makes a number of changes to feedlot

language in the omnibus bill. The amendment adds manure testing to existing soil testing programs, adds commercial animal waste technician licensing requirements, changes the depth requirement for animal carcass disposal from a depth of three feet to a depth adequate to prevent scavenging by animals, and adds to the feedlot permitting refusal authority of the PCA under certain circumstances. The amendment requires plans for a liquid manure storage structure to be prepared or approved by a registered professional engineer or USDA-NRCS employee, allows counties to adopt more stringent feedlot standards than under PCA rules, changes feedlot inventory notification and public meeting requirements, and adds requirements for national pollutant discharge elimination system permits. Under the amendment, construction of an individual feedlot facility on a separate site is to be considered a separate action for determining the necessity of an environmental review. The amendment requires a petition regarding a proposed feedlot facility to contain signatures of not less than 25 individuals who reside or own property within either a ten-mile radius of the proposed facility, or the same hydrologic basin as the proposed facility. The amendment disallows the issuance of a permit by the PCA or a county board for an open-air clay, earthen, or flexible membrane-lined swine waste lagoon. The amendment requires the PCA to submit a copy of the updated feedlot permit rules by June 1, 1999, requires reports on animal waste liability and hydrogen sulfide exposure from the PCA and other agencies, and requires counties and towns to report any adopted feedlot ordinances to the Dept. of Agriculture.

Rep. Doug Peterson (DFL-Madison) said that he felt the language in the amendment changing the phase and connect rules and the petition requirements was unacceptable. Sen. Steve Dille (R-Dassel) said the Senate position is that each facility should be looked at separately and permitted separately. He offered information that he said shows how the PCA phase and connect language hinders small farmers and helps big farmers get bigger. Paul Hoff, with the PCA, told the committee that the agency does not support the Senate language, noting that the language represents a "rollback" from present feedlot statutes.

Feedlot negotiations continue

The Environment and Agriculture Conference Committee moved closer to agreements on feedlot provisions in the omnibus bill, Weds., Mar. 25, but were unable to come to a consensus before adjourning for the day.

Rep. Doug Peterson (DFL-Madison) offered a feedlot counterproposal to the feedlot proposal offered by Sen. Dallas Sams (DFL-Staples) from the previous day. The Peterson proposal makes changes both to the bill and the Sams proposal. The proposal prohibits delegated counties from conducting a level three feedlot inventory on feedlots with 150 or fewer animal units, prohibits agricultural cooperative members from competing in the same specific agricultural business as other members without written permission to do so, and adds the Pollution Control Agency (PCA) and statewide farm organizations to the study to be conducted by the Dept. of Agriculture for a noncommercial manure applicator training and certification program. Other provisions in the proposal prohibit swine producers from disposing of piglet carcasses by the process of homogenization, allow town boards to adopt up to an 18-month moratorium on the construction of new or expanded feedlots, delete the phase and connect partial repealer found in the Sams proposal, and require the Dept. of Agriculture to submit a report to the Legislature on the business organizations having a controlling interest in feedlots and the livestock on feedlots in the state. The report must summarize, by county, the animal type and animal unit capacity of the feedlots, and which types of ownership exercise controlling interest in the feedlots.

The meeting was recessed twice during the evening, as the Senate and House conferees digested the latest offers, and tried to come to a consensus on feedlot issues and budget numbers. Committee Co-chair Tom Osthoff (DFL-St. Paul) said that if any of the issues were sticking points that could not be agreed to, then it was his desire to simply move past the issue. "I'd rather have no bill than a poor bill," he said. When the conferees were unable to come to a consensus on phase and connect language for the bill after the second recess, he asked Committee Co-chair Steven Morse (DFL-Dakota) if the Senate had been able to consider the

House conferees' third appropriations proposal. Morse then presented the Senate's third appropriations proposal, and said that while he felt that the two sides were not really that far apart on reaching a consensus on the feedlot issues, a number of major financial issues had yet to be resolved. The meeting was adjourned for the night so that the House conferees could look over the Senate conferees' third appropriations proposal.

Early childhood conference

House makes proposal

The Family and Early Childhood Conference Committee met Thurs. evening, Mar. 19, to discuss the family and early childhood education omnibus bill, S.F. 2532. The conference committee, chaired by Rep. Tony Kinkel (DFL-Park Rapids) and Sen. Pat Piper (DFL-Austin), heard the House counteroffer to Senate budget and policy positions presented last week.

The House and Senate versions of the omnibus bill differ primarily in the allocation of funding for the Basic Sliding Fee Child Care, Head Start Infant, Temporary Assistance to Needy Families (TANF), and the Dependent Care Tax Credit programs. Senate funding recommendations for FY 1998 and 1999 include \$2.5 million for Head Start, \$100,000 in Gang Prevention Grants, \$250,000 for a lead abatement program, \$1 million for emergency services, \$150,000 for the Assets for Independence program, \$1 million for transitional housing, \$9.85 million for the basic sliding fee program, \$6.823 million in the Temporary Assistance to Needy Families (TANF) and Minnesota Family Investment Program child care programs (the original recommendations of the governor and both bodies), \$1.5 million to the TANF transfer child care data management program, and \$3.25 million to the child care development program. The Senate version allocates no funding to the dependent care tax credit (for families whose adjusted gross income is below \$30,080) in the early childhood budget.

House conferees then presented the policy and budget counteroffer to Senate recommendations offered last week. The House counteroffer increases the Minnesota Dependent Care Tax Credit from the previous House recommendation of

\$8.2 million to \$9 million. Piper's position is to prevent funding for tax credits from being drawn from the early childhood budget.

The House also recommends no funding for Head Start, \$100,000 for the Community Information and Referral Program, \$225,000 for gang crime prevention, \$150,000 for lead abatement and swab teams, \$350,000 for emergency service grants, \$875,000 for family assets accounts, \$500,000 for transitional housing, \$1 million for basic sliding fee child care, and \$5 million for Temporary Assistance to Needy Families (TANF) child care development initiatives. Total TANF recommendations from the governor and both bodies remain constant at \$5 million, but the House and Senate differ in how the funding should be re-allocated to individual child care programs.

On the policy side, the House accepted Senate provisions regarding TANF transitional year families program, which expands eligibility by eliminating three months of TANF participation; provider payments, requiring a county to establish procedures to ensure that any direct child care assistance payments are used for child care; a nonstandard hour child care pilot project; and a scaled-down, uncoded version of the Minnesota Family Assets for Independence Program.

The House and Senate still diverge in approaches to child care transition programs, intergenerational care, state-wide community services information and referral grant programs, and the use of "school-age care" versus "school-age child care."

The committee agreed to meet later to discuss the final recommendations for the early childhood omnibus bill.

State government conference

Agreement nears

The conference committee for S.F. 3354, the state government supplemental budget bill held a hearing Thurs., Mar. 19. The conferees heard testimony about differences between the Senate and House versions of the omnibus governmental operations bill they have been working on for more than a week. Sen. Leonard Price (DFL-Woodbury), chaired the meeting which focused on both funding and language provisions in the bill.

Conferees first heard testimony from Darcel Lewis of the Dept. of Employee Relations regarding a House provision directing the department to study and report to the Legislature on what temporary state jobs performed by disabled individuals are filled by able-bodied individuals when the jobs become permanent. The House language also directs the department to examine whether state agencies are in compliance with state and federal law in hiring qualified individuals and to recommend any assistance state agencies may need to comply with applicable laws. Lewis said the department does not have the staff to conduct the study and is concerned the parameters of the study are not adequately defined. "The parameters do not establish which employees meet the term disabled," Lewis said.

The chief House conferee, Rep. Tom Rukavina (DFL-Virginia) said the House position calling for the study is designed to establish how many disabled people are being passed over for important state jobs. Sen James Metzen (DFL-South St. Paul) agreed with the House position and added that it seems every time the Legislature asks a department to do something the first thing the department says is that they need more resources. Acting on a motion by Metzen, the committee voted to include the language in the final bill.

Committee members next heard testimony regarding the appropriation for the Office of the Attorney General. Price said the committee requested that representatives from the Governor's Office and the Attorney General's Office attend the meeting in order to explain why the two can't agree on a funding level. Chief Deputy Attorney General Lee Sheehy testified that the request of \$24.41 million for the office is appropriate because of increased demand from the governor's office for more resources and representation from the attorney general. He added that the Legislature has also enacted new laws that require enhanced enforcement to protect Minnesotans and there is a growing demand for service from state agencies.

Lorna Smith, of the Dept. of Finance appeared before the committee to represent the governor's position. She said the governor maintains that the \$23 million in funding he recommended for the attorney general is an increase from

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the last appropriation and in line with what other executive offices have received. Price asked Smith if she came prepared to tell conferees what the governor would accept as a compromise level for funding. Smith replied that she did not have any additional information regarding the matter. Price said he was disappointed that the governor did not send someone who has the necessary information to bring the issue to a resolution. "This is a decision that the Legislature must make and we can't resolve the issue without an explanation," Price said.

After returning from a brief recess House conferees offered a compromise with respect to funding for the attorney general. Rep. Mike Osskopp (R-Lake City) said upon consultation with the governor, the House would agree to a base funding level for the attorney general of \$23 million with an addition \$1 million in funding for specific line item programs, bringing the total appropriations to just over \$24 million. Osskopp added that the House would also agree to Senate language for the Year 2000 program with a compromise appropriation level of \$3.7 million. Members adopted the House proposal.

Conferees heard more testimony and exchanged compromise proposals during their Fri., Mar. 20, meeting. Sen. Deanna Wiener (DFL-Eagan) presented language to the conferees for inclusion in the final bill. Wiener said the language establishes an interagency task force to develop detailed proposals for the organization, membership, and operation of the committees to coordinate and make recommendations to the Legislature regarding state regulation of occupations. The committee voted to include the Senate language without the corresponding appropriation of \$10,000.

The conferees also considered a Senate amendment to change the community based planning pilot project and the joint powers board established for community based planning in Benton, Sherburne, and Stearns Counties. Price said the amendment would change the law to not require the refund of grant money received. The current law, Price added, requires the counties to return grant money if they do not follow recommendations of the board on what to consider or agree to mediation regarding the dispute. Osskopp said he thought the

whole law should be repealed because the counties brought the proposal to the Legislature and now they don't want to participate. The Senate amendment was defeated.

House proposal reviewed

The conference committee for S.F. 3354, the state government supplemental budget bill, held a hearing Mon., Mar. 23. The conferees continued debate on the community based planning pilot project and considered a House proposal to resolve several outstanding issues. Sen. Leonard Price (DFL-Woodbury) chaired the meeting.

The hearing began with a House offer on several language and funding provisions where the House and Senate bills contain different positions. Chief House Conferee Rep. Tom Rukavina (DFL-Virginia), offered to accept Senate language on a Legislator and constitutional officer pension contribution transfer and language on administrative law judges, offered by Sen. Dennis Frederickson (R-New Ulm), that provides for a sunset date for the posts. He asked the Senate to accept House provisions including language for a portrait of Rudy and Lola Perpich, an exemption on gifts to Legislators valued at less than \$5, and language regarding a review of "connect Minnesota" fiber optic cable in highway rights-of-way provisions. The conferees did not adopt the Rukavina proposal.

The conferees also heard testimony from Debra Pile of Minnesota Planning on the community based planning pilot project. Pile said that under proposed House provisions a county that receives a grant does not have to make changes to their plan based on state recommendations or enter into mediation in order to keep the grant. Rep. Mike Osskopp (R-Lake City) said the rationale for the House position is that the state is requiring certain outcomes in exchange for the grants. "I don't think it is community based planning if the state is dictating results," he added.

Price said that the Community Based Planning Act should not be altered because it has only been in effect for a year and the grant money has not even gone out to the counties yet. "We have not even given this a chance to work," Price said, "The program is not costing any money so the Legislature should give

the parties a chance to improve it."

At the following meeting Weds., Mar. 25, discussion returned to the connect Minnesota project. At issue was a provision to require review of the project before proceeding with it.

Jerry Knickerbocker, representing the Minnesota Telephone Association, said the contract between the state and service vendor is scheduled for review by the Federal Communications Commission (FCC). He said that the FCC could determine that the contract violates federal law, or approve it. However, Knickerbocker said, if the FCC approves the contract, the contract will be challenged in court. In that case, the state would be liable for damages and penalties, according to Knickerbocker. He added that one objection to the contract is that the Dept. of Transportation is creating a state sanctioned monopoly with a right-of-way that belongs to the public.

Elaine Hanson, commissioner of the Dept. of Administration, opposed the provision. She said that currently there is a shortage of network capacity, and the project will alleviate the shortage. She added that the installation of the network will promote competition.

Higher education conference

Northstar Research discussed

The Higher Education Conference Committee, co-chaired by Sen. LeRoy Stumpf (DFL-Thief River Falls) and Rep. Gene Pelowski (DFL-Winona), met Thurs., Mar. 19, and discussed various House and Senate provisions funded by one or the other of the bodies.

Dr. Frank Cerra, of the U of M, and Sen. Steve Kelley (DFL-Hopkins) presented information on the Senate's Northstar Research Coalition provisions in the omnibus bill. The provisions direct the U of M to create the nonprofit, tax-exempt corporation in partnership with private industry, in order to leverage the university's research capabilities into economic development results.

The Senate bill directs that money for coalition projects is to be used to establish endowed faculty chairs in the area of technology-based research, to purchase equipment for research laboratories, and to fund research projects consistent with priorities established by the partnership. Six main coalition duties are created by

the Senate bill, including identifying technology-based research projects that have the potential to create significant opportunities for economic development and industrial growth in the state, and strengthening the U of M's research capabilities in subject areas associated with emerging technology-based industries. Other duties of the coalition include expanding the research capacity of the U of M to assist private enterprises in emerging technology-based industries, promoting the transfer of technology from the research laboratory to commercial business applications, developing application procedures for reviewing and prioritizing research projects seeking funding under this initiative, and creating opportunities for collaborative research opportunities between the U of M, the Mayo Clinic, and MnSCU.

The Senate provisions direct six appointments of the coalition's 12-member board to be named by the U of M Board of Regents. The other six members of the board are to be initially appointed by the governor, and subsequently by the incumbent members. The provisions also mandate that the six members appointed by the governor are not to be affiliated with the U of M, and must have expertise in the technology research needs of the state.

Senate appropriations for the U of M's contribution to the Northstar Research Coalition total \$500,000, and cannot be released until a funding match is found.

Kelley presented information on the Georgia Research Alliance, a similar not-for-profit organization that was created in 1986 after Georgia's governor established a commission of business leaders to examine ways to recruit high-tech industries to the state.

Representatives from MnSCU, Winona/Red Wing Technical College, and Northwest Airlines were present to discuss the House appropriations for aviation maintenance programs. The House bill appropriates \$450,000 for equipment to upgrade the aviation maintenance programs at the Minneapolis Community and Technical College, Northland Community Technical College, and Winona/Red Wing Technical College. The House bill also appropriates \$200,000 to plan for a facility to support specialized needs of the new composite fiber and avionics training program planned at Lake Superior College.

HHS conference

Health bill presented

The Health and Human Services Conference Committee met Mon., Mar. 23, to discuss the omnibus health and family security supplemental budget bill, S.F. 3346. The committee is chaired by Sen. Don Samuelson (DFL-Brainerd) and Rep. Lee Greenfield (DFL-Mpls.).

Committee staffers began by reviewing House and Senate appropriations recommendations. The Health and Human services general fund expenditures (non-forecast) in FY 98-99 total \$46.589 million in the Senate version and \$52.575 million in the House bill. The Senate version includes a \$312.89 million reduction in general fund appropriations in FY 98-99 for health and human services versus a \$306.904 million reduction in the House version.

Department of Human Services general fund expenditures (non-forecast) total \$40.247 million in the Senate and \$33.182 million for the House in FY 98-99. The provisions include \$80,000 for employer outreach activities versus no funding on the House side, \$2.171 million for children's grants versus \$1.731 million in the House; \$9.850 million in both bodies for children's block grants under the Temporary Assistance to Needy Families (TANF) program; \$150,000 for children's services management versus \$250,000 in the House; \$15.997 million for basic health care grants (non-forecast) versus \$5.309 million in the House; \$978,000 for Kid Care in both houses; \$3.385 million in the Senate for an increase in the protected income level and cost of living increase for the medical assistance to the elderly and disabled program versus \$3.965 million in the House; \$874,000 in the Senate version for health care management versus \$286,000 in the House; \$2.210 million for health care operations versus \$1.737 million in the House; \$508,000 for state operated services versus \$501,000 in the House; \$28.126 million for economic support grants (TANF block grants) versus \$12.519 million in the House; and \$1.084 for economic support management (Health Care Access Fund) in both versions.

Total Department of Health general fund expenditures for FY 98-99 are \$6.264 million in Senate versus \$19.115

million in the House. The Senate proposals include \$3.075 million for the fetal alcohol syndrome program versus \$3.5 million in the House; \$1.510 million for disease prevention and control--which includes breast, cervical cancer, and sexually transmitted diseases prevention programs-- versus \$2.274 million in the House. Both bodies allocate \$78,000 to the Emergency Medical Services Regulatory Board.

Combined federal and state TANF reserve allocations in FY 1998 total \$81.819 million in the Senate and \$81.810 million in the House. In FY 1999, the combined federal and state Senate TANF reserve allocation is \$53.424 million versus \$65.852 million in the House.

On the policy side, committee staff presented a side-by-side comparison of House and Senate policy recommendations. The most notable difference is a provision in the House bill banning partial-birth abortions. The panel also reviewed health department and miscellaneous health provisions, long-term care, health care programs, MinnesotaCare, welfare reform, regional treatment centers, and compulsive gambling programs.

The committee agreed to meet later to discuss similar and identical language which could be adopted into the final version of the omnibus bill.

More on health bill

The Health and Human Services Conference Committee met Tues., Mar. 24, and Weds., Mar. 25, to adopt identical, similar, and non-controversial language in the omnibus health and family security supplemental budget bill, S.F. 3346. The committee is chaired by Sen. Don Samuelson (DFL-Brainerd) and Rep. Lee Greenfield (DFL-Mpls.).

Committee staff reviewed identical and similar language in the policy provisions of both the House and Senate versions of the omnibus health bill. The provisions include directing the commissioner of health to convene an occupational respiratory disease advisory group, establishing a rural loan physician education account, adopting a House provision on lead abatement and lead hazard reduction, permitting the governor to enter into an agreement with the U.S. Nuclear Regulatory Commission to regulate nonpower plant radiation

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hazards, modifying rates and fees for nursing facilities and health care programs, and clarifying and modifying eligibility provisions in health care and welfare programs. The panel then adopted the identical language into the final version of the bill.

On Wednesday, staff reviewed non-controversial policy provisions. Conferees discussed for example, a provision dealing with enrollment and payment provisions in the prepaid medical assistance program (PMAP), and a provision retaining the requirement that adult mental health case managers have a bachelor's degree and 2,000 hours of experience, but allowing exceptions for persons without degrees if they meet training and experience requirements. Other provisions discussed were mostly technical modifications to the welfare reform, Minnesota Care, and long-term care programs.

Conferees then adopted most of these provisions. Several dealing with adjustments to fee rates for health services, for example, were held over for further discussion.

K-12 Education conference

Supplemental provisions adopted

The K-12 Education Conference Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Becky Kelso (DFL-Shakopee), met Mon., Mar. 23, and adopted several provisions of the K-12 education supplemental bill, but did not reach agreement on a residential academies provision.

Members adopted Senate language allowing the Kasson-Mantorville school district to levy up to \$157,000 to cover a deficit in the district's capital equipment fund, and adopted House language authorizing ISD No. 742, St. Cloud, to use up to \$800,000 of its bond proceeds for the purchase of a community education building. Members also approved Senate language allowing school districts to require that parents request transportation to and from school before it is provided to students. Both the House and Senate version had included the provision, with slightly different language.

A working group comprised of Sen. Kenric Scheevel (R-Preston), Rep. Alice Seagren (R-Bloomington), and Rep. Rob

Leighton (DFL-Austin) offered an amendment to the K-12 education supplemental bill providing for the establishment of a residential academies program. The amendment allows the commissioner of Children, Families, and Learning (CFL) to award grants to public organizations or a collaborative of public and private organizations for capital and start-up costs for residential academies. Under the provision, students in grades 4 through 12 who desire to attend an academy, and who demonstrate an interest in learning and a potential for academic achievement, are eligible to attend a residential academy. Additional criteria for eligible students state that the student may perform or be at risk of performing below the academic performance level for students of the same age or ability, or has experienced homelessness or an unstable home environment.

Sen. Jane Krentz (DFL-May Township) successfully amended the amendment to delete from the eligibility criteria that a potential student be at least one year behind in satisfactorily completing coursework or obtaining credits for graduation. Krentz said that simply falling behind in credits for graduation is not a compelling reason for a student to be eligible to attend a residential academy.

The Scheevel amendment makes enrollment in a residential academy voluntary. A student may be recommended for admission to an academy by a parent or guardian, the student's county of residence, the student's school, a health care provider, or the judicial system. The amendment requires the education program of a residential academy to increase students' academic achievement and school attendance, enable secondary students to meet the requirements of the state graduation rule, and improve secondary students' transition to post-secondary education or the transition from school to work.

The funding provision of the amendment requires that education and social funding follow each student from the student's school district or county of residence to the academy. The amendment also allows the cost of residential care for a student to be covered under a sliding fee program based on student need. Members did not take action on the residential academies amendment.

Litigation funding discussed

The K-12 Education Conference Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Becky Kelso (DFL-Shakopee), met Tues., Mar. 23, and discussed a request from the Attorney General's Office for additional funds to cover the litigation costs of pending lawsuits related to education.

Assistant Attorney General Mike Vanslow said the Attorney General's Office anticipates an increase in its litigation expenditures over the next biennium as a result of three educational adequacy lawsuits currently pending against the state. Vanslow said two cases, brought by the NAACP and the St. Paul Public School District, are expected to go to trial within the next year, and a third lawsuit, *Xiong v. State*, was recently filed. According to Vanslow, the \$2.566 million already appropriated for litigation expenses in FY 98-99 is expected to fall short by over \$1.1 million. To cover the shortfall, he said the Attorney General's Office is requesting \$1.1 million to be appropriated to the Department of Children, Families, and Learning (CFL) for litigation costs.

The Senate version of the K-12 education supplemental bill includes an appropriation of \$550,000 to CFL for each fiscal year 98 and 99 to cover the expected increase in litigation costs. The House bill appropriates only \$200,000 to CFL in FY 99 and requires the funds to be used for mediation purposes related to the pending lawsuits.

In their discussion of the education adequacy lawsuits, members reviewed a letter from Gov. Arne Carlson to the State Board of Education expressing his administration's opposition to mediation of the NAACP lawsuit. Members asked Vanslow what the results of a mediation process might be. Vanslow said the mediation would be a non-binding process, and that the result would likely be a list of recommendations from both parties to the Legislature and the governor, and perhaps to school districts and the State Board of Education.

Members discussed a provision in the Senate bill allowing school districts to request a student's Social Security number as part of the basic enrollment procedure. Under the provision, the Social Security number can be used only to monitor the eligibility of students for free or reduced price lunch, and a district

may not mandate that the Social Security number be released. The House bill contains no comparable provision. Pogemiller said the provision will help CFL get more accurate counts of students who are eligible for free or reduced price lunch and use that data in education funding formulas. However, he said, there are data privacy issues involved. Members agreed to temporarily set aside the provision to allow House conferees time for consideration.

Members agreed not to take action on an amendment establishing a residential academies program. The amendment was sent back for further revision to a working group comprised of Sen. Kenric Scheevel (R-Preston), Rep. Alice Seagren (R-Bloomington), and Rep. Rob Leighton (DFL-Austin).

Superintendent salary discussed

The K-12 Education Conference Committee met Weds., Mar. 25, and discussed provisions included in the House and Senate versions of the K-12 education supplemental bill.

Sen. Sandra Pappas (DFL-St. Paul) and Rep. Jerry Dempsey (DFL-Hastings) offered an amendment requiring the Board of Teaching to convene a working group to consider policies and organizing structures for a central depository of data containing licensing and employment information about licensed education personnel employed in Minnesota school districts. The amendment includes both House and Senate language. The amendment was approved for inclusion in the supplemental bill.

Members discussed a provision of the House bill striking school districts from the list of political subdivisions that are prohibited from compensating employees in an amount greater than 95 percent of the governor's salary. Current statute prohibits government officials from earning more than 95 percent of the governor's salary. There is no comparable provision in the Senate version. Rep. Mindy Greiling (DFL-Roseville) said the goal of the provision is to allow local control of the decision of how much to pay the school district's superintendent. Sen. Martha Robertson (R-Minnetonka) said there is hesitation on the Senate side to exempt only superintendents from a salary cap that affects all government officials in the state of Minnesota. Rep. Becky Kelso (DFL-Shakopee) said,

"Superintendents are fairly unique among government officials because they are more than just managers, they are expected to be education leaders." Robertson responded, "The 'chief superintendent,' the commissioner of Children, Families, and Learning (CFL), would still be under the salary cap." Kelso said the issue of the commissioner's salary does not come under the purview of the proposed provision.

Members discussed a provision in the House version requiring a charter school to enter into a contract for teaching or administrative services only with a teacher, an administrator, or a non-profit corporation. Rep. Rob Leighton (DFL-Austin) said the rationale for the provision is that a for-profit corporation should not be permitted to "run the whole show" in charter schools. The provision does allow a charter school to contract with for-profit entities for administrative or instructional services if such services do not constitute the entire administration or operation of the charter school. Kelso said that allowing a for-profit company complete management of a charter school runs counter to the original intention of charter schools, which was to increase grassroots community involvement in education. Members also discussed a House provision adding an "equity adjustment factor" to the compensatory revenue formula.

Two facilities levy provisions in the Senate version were discussed by members. One consolidates various facilities levies into a single facilities equalization levy and defines revenues that can be levied under a new program. The other allows school districts to make a one-time levy for deferred maintenance projects which are approved under a ten-year facility plan. The provision requires districts to fund the first \$200,000 of the total costs of their projects with other sources, and limits districts to levy or bond up to \$60 per student.

Tax conference

Rebate discussed

The Conference Committee on Taxes met Thurs., Mar. 19, to discuss the omnibus tax bill, H.F. 3840. Sen. Douglas Johnson (DFL-Tower) and Rep. Dee Long (DFL-Mpls.) chaired the meeting.

The meeting began with a discussion of a provision of the bill dealing with

property tax rebates. The two bodies differ over a proposal by the House to provide two additional property rebates. The Senate bill provides no funding to tax rebates. Long said, "The House wants a no wait rebate, the Senate a no way rebate."

Committee staff reviewed the proposals. The House version provides a rebate in 1998 for homeowners and renters equal to 20 percent of property taxes paid in 1997 with a maximum rebate of \$1,500. The rebate is allowed as a refundable income tax credit to be claimed on the 1998 income tax return, filed in 1999. For renters, the credit is 20 percent of rent constituting property taxes, set at 19 percent of rent paid under the property tax refund definition. Renters use the certificate of rent paid provided by their landlord to calculate the credit. The credit for farm homesteads is based on property taxes paid on the house, garage, and 320 acres of farm land. The House provision directs the commissioner of finance to transfer \$505.5 million from the property tax reform account to the general fund for payment of the rebates.

Moreover, the House version of the omnibus tax bill provides an additional 1997 property tax rebate. This rebate equals 50 percent of the original 1997 rebate up to a maximum of \$750. The commissioner of revenue is directed to pay this rebate to each recipient of the 1997 rebate as soon as possible after July 1, 1998, but no later than October 15, 1998.

The committee also discussed Senate and House approaches to senior citizen's property tax deferral, income and franchise taxes, federal update, sales and excise taxes, budget reserves, taconite taxes, tax increment financing and economic development projects, and border city zones.

The revenue estimate for taxable distributions from Roth and Education Individual Retirement Accounts generated some debate among committee members. Committee staffers said they would provide a side-by-side comparison at the next meeting of the conference committee.

IRA tax provision reviewed

The Conference Committee on Taxes, chaired by Sen. Douglas Johnson (DFL-Tower) and Rep. Dee Long (DFL-Mpls.), continued discussion of the omnibus tax

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bill at a meeting Fri., Mar. 20. Members reviewed articles of the House and Senate versions relating to gaming taxes, sanitary sewers, and other tax provisions. Members also heard a description from the Department of Revenue of the revenue impact for the state of conforming to changes in federal law concerning Individual Retirement Accounts (IRAs).

The 1997 Federal Tax Bill created two new types of IRAs: Roth IRAs and Education IRAs. Rodney Hoheisel of the Revenue Department said the new Roth and Education IRAs are "backloaded," because both taxpayer benefits and revenue costs are concentrated in later years. He said backloaded IRAs reduce tax revenue only a little in early years, because contributions are not tax-deductible. But the revenue costs rise significantly in later years, he said, because interest earned on contributions is tax-free if distributions are made five years after the IRA was started and after age 59 1/2 or are used for first-time home purchases.

Hoheisel said the revenue cost to Minnesota of conforming to federal treatment of Roth IRAs will, in the first few years, be offset by taxes paid on rollovers from traditional IRAs to the Roth IRAs. While conforming to federal law for Roth IRAs is estimated to raise revenue slightly in 1998-99, the cost rises to \$24 million in the 2006-2007 biennium and will keep rising in following years, he said. The estimated cost of conforming to federal law for Education IRAs also increases rapidly, according to Hoheisel.

The Senate omnibus tax bill, S.F. 2985, contains a provision making earnings from the Roth IRAs and Education IRAs taxable when they are distributed. Earnings are not subject to federal income tax, but the Senate provision makes earnings subject to Minnesota income tax. Hoheisel said that taxing distributions for Roth IRAs will offset 5 or 6 percent of the estimated costs, and for Education IRAs about 45 percent, in the 2006-2007 biennium.

The House omnibus tax bill includes a provision establishing a tax study commission for the purpose of studying state and local fiscal relations in Minnesota. The Senate contains no comparable provision. The commission is to consist of 30 members, including state, county and city government officials, state legislators, school district officials, and members of the public. The provi-

sion requires the commission to identify goals of the state-local finance system and make recommendations to the Legislature for achieving the goals. The provision appropriates \$122,500 to pay the expenses of the commission.

The House version also includes an article establishing a sanitary sewer district for the cities of Farwell and Kensington to correct water pollution and sewage disposal problems in those two cities. A comparable provision is included in S.F. 3306, which is in the Environment and Natural Resources Committee.

Provisions adopted

The Tax Conference Committee, chaired by Sen. Douglas Johnson (DFL-Tower), met Mon., Mar. 23, and adopted a number of noncontroversial provisions relating to property and income taxes.

The panel adopted language that was either the same or very similar in both the House and Senate versions of H.F. 3840. Members agreed to adopt Senate language relating to certificates of real estate value filing requirements, a levy recertification for a HACA error, mortgage tax receipts and regional development commissions levy. House language relating to treatment of agricultural homesteads damaged by flooding--with a Senate provision that the land must continue to be used for agriculture, truth-in-taxation hearing date changes and dissolution of town subordinate service districts, was also adopted. The committee also adopted language relating to low income housing qualifications, low income housing minimum quality standards and low income housing penalties. A House provision allowing the proceeds of certain in lieu payments to unorganized townships to be used for maintenance of roads in those unorganized townships rather than to reduce the property tax levy was also adopted.

Members also acted favorably upon a House provision that extends the St. Paul capital improvement bonding program for an additional five years, raises the amount of bonds authorized to be issued each year to \$15 million, and caps the aggregate principal amount of bonds authorized for each year from 1998 through 2003. Senate language relating to Anoka County Library levies and the Wild Rice Watershed were also adopted. Members approved a House provision relating to the Chisholm/Hibbing

Airport Authority excluding the airport levy from the calculation of the two cities' levy limits. The panel adopted language extending the moratorium prohibiting changes in assessment policies relating to elderly assisted living facilities for an additional year. Finally, the panel adopted Senate language eliminating geographic restrictions concerning golf courses that are eligible for class 4c treatment but deleted language providing that qualifying courses may not require motorized carts.

Members took no action on a provision outlining the tax treatment of the Caponi Art Park.

In the area of income taxes, the committee adopted several additional identical, or very similar, noncontroversial provisions. Language that gained committee acceptance included provisions relating to allowing corporations and mining companies a extension to file income tax returns, clarifying that limited liability companies are treated the same for state tax purposes as for federal tax purposes, providing two new additions to federal taxable income, providing for three subtractions from federal taxable income, providing the basis of "S" corporation bank stock, changing the fraction that non- and part-time residents use to calculate their Minnesota income tax liability, specifying the deadline for the airport urban homestead zone application and extending the urban homestead application period.

Members did not act on a provision specifying that social security numbers not be visible on the labels used for tax returns. Representatives from the Dept. of Revenue indicated that the provision has fiscal implications and asked for time to clarify the exact cost.

The conferees also reviewed a memo from the department outlining the agencies concerns with various provisions of the omnibus bill. Jennifer Engh, assistant commissioner, said the department was concerned because both Senate and House versions of the omnibus bill add several new credits. She said the system is already complex and the agency felt that the new credits added even more complexity. The dependent care credit is also a concern, Engh said, because of the fiscal implications. She said agencies staff are trying to determine the exact cost. She also said that a Senate proposal to decouple the Working Family Credit

from the Federal Earned Income Credit will necessitate a separate table for taxpayers to use for state filing, with separate worksheets and instructions.

Engh said the department also had concerns about the border city zone provisions contained in the two bills. The Senate version provides for special tax treatment for five cities along the Minnesota-North Dakota border; the House version limits the special treatment to Breckenridge and East Grand Forks.

Finally, Engh said the department is concerned that provisions in both bills allowing local option sales taxes may not provide a stable source of funding in the long term. She said that federal changes are occurring in the area of sales tax. Further, Engh said that the department prefers language in the House version because the House language prohibits the use of the sales tax to guarantee local bonds sold to support the various projects. Johnson said that he also had concerns about the local option sales taxes. However, Sen. Carol Flynn (DFL-Mpls.), said that each city requesting the option presented a unique situation.

Roth IRAs discussed

The Tues., Mar. 24, meeting of the Tax Conference Committee revisited the topic of conformity with federal treatment of Roth IRAs and the adoption of more noncontroversial provisions.

Members, chaired by Rep. Dee Long (DFL-Mpls.), heard from Sen. Steve Kelley (DFL-Hopkins) on the Roth IRA issue. The Senate version of the omnibus tax bill does not conform to federal provisions relating to Roth IRAs. The House provides for the establishment of a new IRA in which contributions are not deductible, but distributions are not taxed if the distribution is at least five years after the account is established and is after age 59 1/2, death, disability, or for a first-time home purchase. Kelley argued that the new IRAs are not good economic policy and that the state should not follow the federal government in enacting bad policy.

Members also adopted several provisions that are either identical or very similar in both omnibus bills. One provision gaining acceptance by the panel codifies the administrative practice of what levy amounts may be treated as a matching-fund special levy for taxes payable in 1998. Members also approved

a provision exempting a local government from the need to get voter approval to issue bonds to fund abatements for economic development purposes. In addition, a provision relating to local government aid was also adopted. The provision applies only to the city of Oak Grove. A provision authorizing Carlton and St. Louis Counties to establish the Jensen-Nopeming special district for two nursing homes was also adopted. Also, members adopted a House provision clarifying the exemption from sales tax for medical supplies used directly on a patient or resident as part of treatment.

The panel also adopted several provisions in the miscellaneous sections of the omnibus bills. The committee agreed to a provision specifying that the 14 day period in which a taxpayer can request a reconsideration of a termination of an installment payment agreement does not apply when collection of the tax covered by the agreement is in jeopardy. The panel also adopted a Senate provision imposing a 2 percent use tax on the less of the wholesale or retail price of purchases of prescription drugs from nonresident pharmacies registered with the state. The House position on a provision specifying that industrial waste is to be taxed as nonmixed municipal waste, if the industrial waste is incinerated with mixed municipal waste under a plan approved by the PCA.

Several provisions relating to transit were also considered. One provision provides that a transit hub meets the definition of "regular route transit service" even though two scheduled runs per hour are not on the same route. A second provision requires the Metropolitan Council to produce a map of transit zone changes and a third provision clarifies that the transit zone changes apply only in the seven county Metro Area. Another provision authorizes the sale of surplus land in Red Lake County. Finally, members adopted language relating to fiscal impact notes, modifying the contents of the revenue target the governor submits to the Legislature and modifying the contents of the legislative budget resolution.

Testimony heard

The Weds., Mar. 25, meeting of the Tax Conference Committee was devoted primarily to hearing testimony on tax policies contained within the Senate and House versions of H.F. 3840. The panel,

chaired by Sen. Douglas Johnson (DFL-Tower), also acted on a provision in the bill that had been separated from other property tax provisions earlier in the week.

Speakers at the hearing included Jack Horner, of the Minnesota Multi-Housing Association; Glenn Dorfman, of the Minnesota Realtors Association, and Bill Blazer and Duane Benson of the Minnesota Chamber of Commerce. The property tax provisions of the bill were the primary topics for all the speakers. In addition, Bernie Brommer, of the AFL-CIO, and Wayne Cox, representing the group Citizens for Tax Justice also spoke.

Members also heard Rep. Steve Wenzel and officials from the city of Garrison explain a provision in the House version that deals with a tax increment financing problem in Garrison.

The panel also adopted House language relating to the Caponi Art Park. The language provides for special property tax treatment for the Caponi Art Park, located in Eagan, by allowing the property to be classified as agricultural homestead and valued at the same per acre valuation as other similar property in the county. Further, the provision specifies that the classification and valuation will run through taxes payable in 2002 unless the property is conveyed to someone other than the spouse or child of the current owner before that time. In addition, the language requires the county to separately calculate the tax each year on the property as if the special treatment was not provided. If the property is conveyed to a third party, the provisions specifies that the difference between the tax computed and the tax actually paid must be paid in the year following the conveyance. Further, if the property is conveyed to a nonprofit corporation or foundation, the higher tax will never need to be paid. The measure specifies that if the property is not conveyed by July 1, 2002, or is conveyed only to the spouse or child, the difference in taxes will be due in 2003.

A provision requiring the Met Council to produce a new transit zone map reflecting the changes made in the bill touched off a broader discussion of transit policies. Jim Solem and Bob LaShombe of the Met Council answered members questions about transit funding and the relationship to property taxes levied for transit.

1998 Chapters and Resolutions

Number	Senate File	Senate Author	House File	House Author	Description	Signature date
252	2111	Samuelson	2492	Anderson, I.	Fish house restrictions and license periods modifications	2/12/98
253	663	Higgins	661*	Biernat	Landlord and tenant law recodifications and clarifications.	2/18/98
254	2134	Betzold	2524*	Chaudhary	Revisor's bill.	2/18/98
255	1440*	Ranum	1554	Dawkins	Uniform certification of questions of law act adopted.	2/19/98
256	2017	Moe, R.D.	2372*	Lieder	Norman County Medical Center bid exemption	2/25/98
257	2261	Sams	2550*	Otremba	Rural hospital flexibility program.	2/25/98
258	2167	Metzen	2338*	Folliard	Gulf War veterans' bonus modification.	2/25/98
259	2156	Higgins	2499*	Stanek	Hennepin County Board small purchase limit increase.	2/27/98
260	2478*	Samuelson	2890	Tunheim	Savings association act maintained.	2/27/98
261	2345	Morse	2828*	Tingelstad	Commissioner of health public water supply approval authority modified.	3/4/98
262	2031*	Betzold	2390	Pugh	Real property conveyance provisions modified.	3/4/98
263	2028*	Sams	2576	Juhnke	Emergency vehicle signal operation modification	3/4/98
264	2379*	Metzen			Local government unit aid distribution clarification in township annexation.	3/4/98
265	2621*	Scheevel	2646	Jefferson	Reemployment insurance technical changes.	3/4/98
266	2122	Metzen	2590*	Jennings	Tenant security deposit interest rate increase.	3/4/98
Res. 5	2055	Pogemiller	2417*	Jaros	Congress memorialized to support the admission of Poland, Czech Republic and Republic of Hungary to NATO.	Filed without signature
267	2170*	Lessard	2425	Anderson, I.	Watercraft trailers and ATVs exempt from motor vehicle sales on Sunday prohibition.	3/5/98
268	2525*	Wiger	2927	McCollum	Ramsey County purchases from health care cooperatives.	3/5/98
269	2685*	Vickerman	3119	Olson, E.	Public officers contract interest authority clarification	3/5/98
270	2315*	Robertson	2811	Kahn	Director of Office of Technology membership to various organizations clarification.	3/5/98
271	2354*	Kiscaden	3734	Mares	Public employees insurance program expansion	3/6/98
272	2688	Terwilliger	3095*	Rhodes	Chaplain Sunday designation	3/6/98
273	2477*	Stumpf	2866	Kinkel	Dept. of Children, Families and Learning and Dept. of Economic Security reorganization codified.	3/9/98
274	2355	Lourey	3040*	Lourey	Long-term nursing care facility payroll documentation procedures modified.	3/16/98

275	2280	Higgins	2642*	Jefferson	Standard collection procedure exemption provided to overpaid reemployment insurance benefits.	3/16/98
276	2791	Wiener	2809*	McElroy	Audited financial statement copies provided to members of the local unit of government.	3/16/98
277	2255	Metzen	2616*	McElroy	Dakota County dangerous dog registration system city administration provided.	3/16/98
278	2849	Ourada	3071*	Wolf	Petroleum product specifications modified.	3/16/98
279	2457*	Flynn	3593	Larsen	Rural finance authority and housing finance electronic meetings authority permanency.	3/16/98
280	2047*	Novak	3148	Kubly	Manufactured home park owners limited dealers licenses.	3/16/98
281	1151*	Piper	1414	Leighton	Guardians and conservators appointment provisions modifications.	3/16/98
282	2402*	Stevens	2696	Munger	Merchandise pallets unauthorized possession or damage prohibitions.	3/16/98
283	2729*	Spear	3296	Long	Bicycle racks and storage facilities advertisements, public art and informational signs placement and maintenance authority.	3/16/98
284	2669*	Hottinger	2992	Greenfield	Day training and rehabilitation services business arrangements use and rate variance mechanism flexibility.	3/16/98
285	2163*	Knutson	3028	Pawlenty	Motor vehicle dealers licensing requirements exemption for charitable organizations.	3/18/98
286	2516*	Stevens	2777	Jefferson	Dept. of Employee Relations experimental or research projects authority expansion.	3/18/98
287	2245	Johnson, D.J.	2846*	Mahon	Automobile insurance premium reduction provided for completion of an accident prevention course.	Vetoed
288	668	Kiscaden	668*	Seagren	Industrial hygienist and safety professional title protection act adopted.	3/18/98
289	2677	Wiener	2601*	Mullery	Building and construction contract lien and claim waivers and subcontractor payments regulated.	3/18/98
290	2335	Johnson, J.B.	2612*	Jennings	Trunk highway #95 designated as state trooper Timothy Bowe Memorial Highway.	3/18/98
Res. 6	2786	Pappas	3250*	Garcia	President and Congress memorialized to enact the aircraft repair station safety act of 1997.	Filed without signature
291	2230*	Wiener	2779	Chaudhary	Elderly housing definition modification for discrimination prohibition exemption purposes.	3/18/98
292	2574*	Ten Eyck	2635	Skare	Headwaters regional development commission non-profit housing corporation establishment authority.	3/18/98
Res. 7	2699*	Lourey	3258	Greenfield	Resolution to remove Medicaid policy barriers to employment for people with disabilities.	Filed without signature
293	2608*	Wiener	3065	Dorn	Health insurance basic medicare supplement plans coverage for diabetes equipment.	3/18/98
294	3068*	Runbeck	3532	Betterman	Workers' compensation benefits special compensation fund reimbursement requirement elimination.	3/18/98
295	2540	Oliver	2500*	Rest	Customer loss or theft of a debit card limited liability provided.	3/18/98

296	1973	Johnson, D.E.	2222*	Juhnke	Cartways established by town boards upon owner petition.	Filed without signature
297	2293	Solon	2895*	Tomassoni	Township mutual insurance companies permitted investments expanded.	3/18/98
298	2945*	Stumpf	3442	Wenzel	Interstate emergency management assistance compact.	3/18/98
299	2266*	Belanger	2523	Johnson, A.	Gasoline and special fuels tax provisions recodification and clarification.	3/18/98
300	2570*	Belanger	2659	Olson, E.	Tax provisions technical corrections and and administrative changes.	3/18/98
301	1076*	Sams	1306	Hausman	Health plan coverage for off label use of drugs.	3/18/98
302	2384*	Johnson, J.B.	2790	Jennings	Chisago county recorder appointment; Rush City easements.	3/18/98
303	1583*	Hottinger	2043	Greiling	State agencies regulatory rules and program policy and obsolete, unnecessary or duplicative rules regulation.	3/18/98
304	2041*	Johnson, D.J.	2294	Long	Property tax rebate for tax pre-payments.	3/18/98
305	2372*	Lourey	2681	Slawik	Hepatitis B immunization required for children.	3/23/98
306	3016*	Johnson, D.J.	3524	Bakk	Qualified landfills authorized to accept materials from closed dumps.	3/23/98
307	2581*	Kiscaden	2508	Bishop	Olmstead county auditor/treasurer made an appointed position.	3/23/98
308	2281*	Pariseau	2824	Pugh	Dakota county housing and redevelopment authority employees not deemed county employees without county board consent.	3/23/98
309	2378*	Junge	2641	Rest	Corporate professional and professional services definitions expanded.	3/23/98
310	2316*	Murphy	2665	Juhnke	Intrastate hazardous material carriers provided continuation of the uniform registration and permitting program.	3/23/98
311	1654*	Ten Eyk	1882	Murphy	Real estate document filing and recording fees modified.	Vetoed
312	2269*	Stumpf	2686	Munger	Board of water and soil resources hearing and review provisions modified.	3/23/98
313	2373*	Betzold	2785	Entenza	Civil commitment release on provisions modified.	3/23/98
314	2725*	Betzold	3254	Kahn	County recorder and registrar functions provided additional methods.	3/23/98
315	2344	Oliver	2315*	Leppik	Trademarks and service marks regulated.	3/23/98
316	2207*	Hottinger	2401	Huntley	Federal drug enforcement administration registration number requirement exemption provided.	3/23/98
317	2447*	Sams	2786	Wejzman	Speech-language pathologist, unlicensed mental health practitioner, alcohol and drug counselor, physical therapists, and hearing instrument dispenser licensure requirements modified.	3/23/98
318	2381	Krentz	2489*	Holsten	Ramsey and Washington counties state trail extended.	3/23/98
319	3032*	Wiener	3355	Rest	Investments of insurers act adopted.	3/23/98
320	3036*	Betzold	2507	Macklin	Limited partnership withdrawals regulated.	3/23/98

321	2068*	Kelly, S.P.	2706	Kahn	Electronic message reliability and certification authorities required.	3/23/98
322	2911*	Vickerman	2920	Delmont	Lawful gambling revisions.	3/23/98
323	2262*	Novak	2750	Wenzel	Reinsurance intermediary brokers funds investment authority regulation.	3/23/98
324	1814*	Scheid	1116	Sekhon	Board provisions modifications.	3/23/98
325	2429*	Wiener	2667	Rest	Local government services advisory council membership increase and appointment process clarification.	3/23/98
326	3170	Moe	3644*	Sviggum	Combined school districts extended area telephone service voting requirements modification.	3/23/98
327	2136	Wiener	2309*	Leppik	Financial institutions consumer credit issuance and reporting equal treatment of spouses.	3/23/98
328	2659*	Wiener	3432	Wenzel	Life insurance company investments and transactions regulations modified.	3/23/98
329	2861*	Hottinger	3138	Evans	Emergency medical care automatic external defibrillators use liability immunity.	3/23/98
330	695*	Berglin	381	Greenfield	Nonprofit health care trust agreements or transactions regulation.	Vetoed
331	908*	Oliver	3748	Anderson, I.	Trust companies regulation provisions modification.	3/25/98
332	2252*	Wiener	2615	Pugh	DWI repeat offenders sentencing to intensive supervision and incarceration.	3/25/98
333	154*	Frederickson	176	Harder	Food donors liability limit.	3/25/98
334	2130	Foley	2814*	Tomassoni	Health plan companies durable medical equipment coverage requirement.	3/25/98
335	2550*	Fischbach	2016	Haas	Financial institutions mail loan solicitations regulation.	3/25/98
336	330*	Spear	1207	Paymar	Nonprofit corrections treatment facilities liability limit.	3/25/98
337	2493*	Junge	3389	McGuire	Financial institutions liability immunity for stolen or fraudulent checks information release to criminal alert networks or law enforcement agencies.	3/25/98

Floor action

Friday, March 20

Bills granted concurrence and repassage

S.F. 2267-Novak: Regulates terminations of workers' compensation self-insurance authority and commercial workers' compensation self-insurance groups, provides investment, funding, reporting and transfer requirements, and requires notice. 61-0

Bills granted final passage on Special Orders

H.F. 113-Morse: Proposes an amendment to the constitution to

extend until the year 2025 the period during which at least 40 percent of the net proceeds from the state lottery must be credited to the environment and natural resources trust fund. 62-3

S.F. 41-Lessard: Proposes an amendment to the constitution to affirm the right of citizens to hunt or take game and fish. 52-13

S.F. 537-Junge: Clarifies that a court may not refuse to adjudicate a defendant's guilt except upon agreement of the parties and amends the criminal sexual conduct statutes to criminalize certain acts committed by persons in a position of authority even where the authority was not used to cause the victim to submit. 44-19

Floor action

Monday, March 23

Bills granted concurrence and repassage

S.F. 2966-Scheid: Enacts the Minnesota Residential Mortgage Originator and Servicer Licensing Act and establishes licensing and enforcement mechanisms. 54-0

S.F. 2489-Solon: Regulates residential mortgage loans and establishes table funding requirements. 58-0

Bills granted final passage on Special Orders

H.F. 3042-Novak: Modifies provisions of power purchase contracts and biomass fuel exemptions, lengthens the exemption period for large telephone company to change rates, modifies provisions for the PUC to assess costs of certain proceedings, provides additional anti-slamming and disclosure requirements on long-distance service providers and clarifies requirements relating to notifications of price increases. 67-0

S.F. 3397-Spear: Eliminates the retroactive application of air carrier franchise exemption to pending litigation. 67-0

H.F. 3068-Flynn: Modifies salary provisions for certain officials, sets conditions for advancing employees within a compensation plan or to exceed the salary of an agency head, ratifies certain labor agreements and ratifies certain plans and proposals. 59-8

S.F. 2050-Junge: Modifies provisions governing advance health care directives and combines laws governing living wills and durable power of attorney for health care. 37-29

Conference committee reports adopted and repassed

S.F. 2445-Novak: Regulates the excavation notice system. 67-0

Wednesday, March 25

Bills granted concurrence and repassage

S.F. 2302-Scheevel: Clarifies the conduct of certain county elections. 59-2

S.F. 2148-Scheid: Changes certain absentee ballot provisions. 48-19

Bills granted final passage on Special Orders or suspension of rules.

H.F. 3184-Knutson: Provides for voluntary reporting of alcohol abuse by a pregnant woman. 67-0

H.F. 3854-Stumpf: A resolution memorializing the United States government to resolve certain differences between the Province of Ontario and the State of Minnesota. 65-1

Thursday, March 25

Bills granted final passage on Special Orders

H.F. 2277-Junge: Requires violators of fair campaign practices to return public subsidy and requires written permission of an organization before campaign material can state that the organization supports a specific candidate or ballot question. 55-7

Conference committee reports adopted and repassed

S.F. 2119-Johnson, J.B.: Provides for municipalities contract bid specifications, design and construction standards. 59-0

S.F. 2730-Robertson: Dept. of Administration information systems and technology housekeeping provisions. 59-0

Conference Committees

H.F. 3843-Omnibus capital budget bill

Members:

Langseth	Kalis
Berglin	Solberg
Cohen	Trimble
Laidig	Clark, K.
Janezich	Bishop

S.F. 3393-Omnibus crime prevention supplemental budget bill

Members:

Kelly, R.C.	Murphy
Spear	Skoglund
Ranum	Pugh
Neuville	Entenza
Knutson	Larsen

S.F. 3367-Omnibus economic development supplemental budget bill

Members:

Beckman	Jaros
Novak	Trimble
Johnson, D.H.	Clark, K.
Anderson	Kubly
Oliver	Gunther

Completed work 3/24/98

S.F. 3353-Omnibus environment and agriculture supplemental budget bill

Members:

Morse	Osthoff
Sams	Munger
Lessard	McCollum
Lourey	Peterson
Dille	Holsten

S.F. 2532-Omnibus family and early childhood education supplemental budget bill

Members:

Piper	Kinkel
Marty	McGuire
Foley	Delmont
Terwilliger	Slawik
Lesewski	Sykora

S.F. 3346-Omnibus health and family security budget bill

Members:

Samuelson	Greenfield
Betzold	Wejcman
Berglin	Winter
Stevens	Bradley
Kiscaden	Goodno

S.F. 3297-Omnibus higher education supplemental budget bill*Members:*

Stumpf	Pelowski
Solon	Carlson
Larson	Opatz
Wiener	Leppik
Kleis	Bettermann

H.F. 2874-Omnibus K-12 education supplemental budget bill*Members:*

Pogermiller	Kelso
Krentz	Greiling
Robertson	Biernat
Pappas	Leighton
Scheevel	Dempsey

S.F. 3354-Omnibus state government budget bill*Members:*

Price	Rukavina
Metzen	Hilty
Frederickson	Mares
Betzold	Kahn
Fischbach	Osskopp

H.F. 3840-Omnibus tax bill*Members:*

Johnson, D.J.	Long
Flynn	Winter
Hottinger	Olson
Vickerman	Dawkins
Belanger	McElroy

S.F. 3298-Omnibus transportation supplemental budget bill*Members:*

Johnson, J.B.	Lieder
Flynn	Wagenius
Hanson	Marko
Ourada	Molnau
Robling	Kuisle

Completed work 3/16/98

Other Conference Committees**S.F. 726-State government procurement process***Members:*

Knutson	Kahn
Metzen	Jefferson
Wiener	Krinkie

S.F. 1378-Omnibus data privacy provisions*Members:*

Betzold	McGuire
Knutson	Macklin
Wiener	Skoglund

S.F. 2119-Municipalities contract bid specifications, design and construction standards.*Members:*

Johnson, J.B.	Jennings
Wiger	Wolf
Johnson D.E.	Hausman

House repassed; Senate repassed 3/26/98

S.F. 2192-Political subdivisions corporations*Members:*

Frederickson	Harder
Vickerman	Rest
Kelley, S.P.	Erhardt

S.F. 2274-Omnibus liquor bill*Members:*

Solon	Tunheim
Metzen	Juhnke
Belanger	Seifert

S.F. 2276-Child support enforcement modifications*Members:*

Knutson	Dawkins
Cohen	Leighton
Foley	Biernat
Kiscaden	Larsen
Ten Eyck	Bishop

S.F. 2351-State park additions and deletions*Members:*

Vickerman	Kalis
Stumpf	Osthoff
Pariseau	Sekhon

S.F. 2445-Excavation notice system provisions*Members:*

Novak	Ozment
Ourada	Jennings
Johnson D.H.	Kahn

House repassed 3/24/98; Senate repassed 3/23/98

S.F. 2586-Sex offender provisions modifications*Members:*

Kelly, R.C.	Bishop
Morse	Skoglund
Limmer	Pugh

S.F. 2645-Affirmative action plan requirements modification*Members:*

Wiger	Dawkins
Robling	Jefferson
Kelley, S.P.	Stanek

S.F. 2718-Telephone assistance program changes*Members:*

Kelley, S.P.	Clark, K.
Novak	Jennings
Frederickson	Mares

S.F. 2730-Dept. of Administration provisions*Members:*

Robertson	Hilty
Price	Kahn
Betzold	Larsen

House repassed; Senate repassed 3/26/98

S.F. 2751-Accommodation for nursing mothers*Members:*

Anderson	Greiling
Krentz	Farrell
Robling	Tingelstad

H.F. 2708-Agricultural marketing and dispute resolution

Members:
Frederickson
Beckman
Vickerman

Juhnke
Johnson, R.
Swenson, H.

H.F. 2736-Authorizes counties to provide grants to community food shelves

Members:
Lourey
Vickerman
Robling

Hilty
Mariani
Kuisle

H.F. 2722-Underground petroleum storage tank violations penalties

Members:
Novak
Dille
Lessard

McCollum
Wagenius
Kraus

H.F. 3145-Compliance monitoring by the MN Housing Finance Agency

Members:
Novak
Pogemiller
Frederickson

Rest
Abrams
Sykora

Preview

Monday, March 30

The Senate is in session at 11 a.m.

Conference Committee on Taxes

Chairs: *Sen. Douglas Johnson and Rep. Dee Long*
1 p.m. or after last body adjourns, Room 15 Capitol

Agenda: H.F. 3840: Omnibus tax bill.

Data Privacy Conference Committee

Chairs: *Sen. Don Betzold and Rep. Mary Jo McGuire*

After last house adjourns, Room 316 Capitol

Agenda: S.F. 1378: Data privacy omnibus bill.

Higher Education Supplemental Budget Conference Committee

Chairs: *Sen. LeRoy Stumpf and Rep. Gene Pelowski*

After last body adjourns, Room 118 Capitol

Agenda: S.F. 3297: Higher Education supplemental budget bill.

Government Operations Supplemental Budget Conference Committee

Chairs: *Sen. Leonard Price and Rep. Tom Rukavina*

One hour after last body adjourns, Room 318 Capitol

Agenda: S.F. 3354: Omnibus governmental operations supplemental budget bill.

Health and Family Security Supplemental Budget Conference Committee

Chairs: *Sen. Don Samuelson and Rep. Lee Greenfield*

1 hour after last body adjourns, Room 5 SOB

Agenda: S.F.3346: Omnibus health and family security supplemental budget bill.

Tuesday, March 31

The Senate is in session at 9 a.m.

Wednesday, April 1

The Senate is in session at 9 a.m.

Thursday, April 2

The Senate is in session at 9 a.m.

Friday, April 3

The Senate is in session at 9 a.m.

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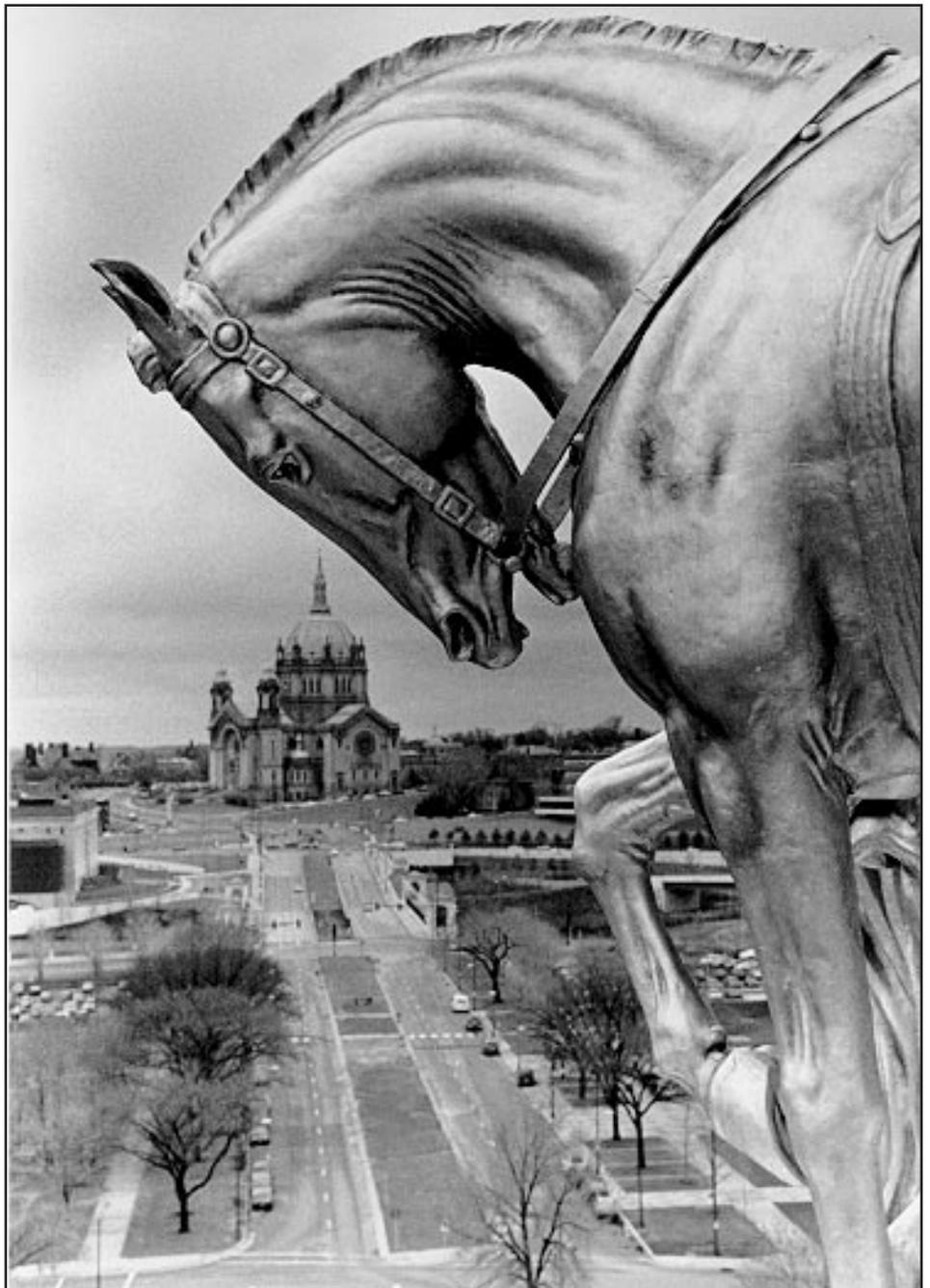
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Photo by Andrea Murrill.



April 3, 1998

Senate Highlights

Flood and storm victims helped

The State Government Finance Committee, chaired by Sen Richard Cohen (DFL-St. Paul), met Mon., Mar. 30, where members took action on two bills. One measure provides flood relief for spring wheat farmers in 11 counties and provides aid to victims of the tornadoes that struck Sun., Mar. 29.

S.F. 3409, carried by Sen. LeRoy Stumpf (DFL-Thief River Falls), is a bill that provides \$8.5 million of emergency state assistance to Northwest Minnesota farmers who have seen their spring wheat crops devastated for five straight years. Stumpf said Mother Nature is in control of the process and farmers are in serious trouble because crop insurance does not cover them.

Ron Anderson, an affected farmer from Hallock, said scab fungus struck crops in his area five years ago and has devastated his crops each year since. "The federal government promised to fix the crop insurance system, but they have not," Anderson said, "It is important that the state make this an issue because families are being forced to leave their farms."

Stumpf said under the bill, hard pressed wheat and barley farmers will receive funds to defray crop insurance premiums, which have been rising in cost and

declining in coverage as yields have been devastated. He added that the counties covered are Beltrami, Clearwater, Kittson, Lake of the Woods, Mahnomen, Marshall, Norman, Pennington, Polk, Red Lake, and Roseau.

Sen. Dennis Frederickson (R-New Ulm) proposed an amendment to appropriate up to \$10 million to the commissioner of public safety from the budget reserve for reimbursements to local governments and individuals for costs related to tornado damage that occurred in Watonwan, Nicollet, LeSueur, Blue Earth, Cottonwood, and Brown counties on Mar. 29, 1998. Frederickson said the appropriation must be used for the non-federal share of disaster funds if the area is declared a major disaster by the president. Sen. John Hottinger (DFL-Mankato) said prompt action before the Legislature adjourns is important because it will send a signal to residents that the state is ready to provide assistance. The amendment was adopted. S.F. 3409 was recommended to pass as amended and sent to the Committee on Rules and Administration.

H.F. 3830, carried by Sen. Randy Kelly (DFL-St. Paul), is an annual claims bill containing items that the Joint House and Senate Claims Subcommittee

recommended for payment. He added the appropriations contained in the bill total \$134,762.

Kelly said the Dept. of Agriculture is required to pay \$16,692 to Minnesota Clean Fuels, Inc., as payment for a claim regarding ethanol development. Kelly said the producer filed a production report a few days late and was penalized. He said the subcommittee decided to require payment to the producer, but deducted a late fee. Kelly said the Bureau of Criminal Apprehension is ordered to reimburse a special agent \$4,028 for legal expenses incurred in performing official duties. The Dept. of Corrections, Kelly said, is required to pay claims against the state for medical service provided to individuals injured while performing community service or sentencing to service work for correctional purposes. Kelly said the Dept. of Human Services is directed to appropriate \$3,292 to persons who provided medical and interpretive services to an individual injured while performing community work experience in Ramsey County. Kelly said the Dept. of Labor and Industry is ordered to pay \$23,773 to a Benton County sheriff's deputy, who incurred financial loss related to her employment duties. Kelly said the Dept. of Natural Resources must pay \$6,250 to the town of Urness, in Douglas County, to partially reimburse Red Rock lake shore owners for their contributions in 1994 to the cost of construction of a culvert necessary to lower the level of the lake. Kelly said the Dept. of Revenue is required to refund \$19,854 to Lakeside Medical Center, Inc., for its claim for sales taxes erroneously paid for the period Jan., 1989, through Feb., 1993. Kelly added that the bill also contains a provision providing that state officers or employees of a state department or agency are to be reimbursed to any reasonable costs and attorney's fees incurred by the person to defend charges of a criminal nature that arise out of the reasonable and lawful performance of their state duties. The bill was recommended to pass and sent to the Senate floor.

Abortion provision fails

The Health and Human Services Conference Committee met in a marathon session Wed. evening, Apr. 1, to discuss a House provision in the omnibus health and family security supplemental budget

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bill, S.F. 3346, banning partial birth abortions. The committee is chaired by Sen. Don Samuelson (DFL-Brainerd) and Rep. Lee Greenfield (DFL-Mpls.).

After lengthy debate, the panel failed to reach a compromise and a motion to adopt the House language banning partial birth abortions failed on a 5-5 vote. The House provision bans partial-birth abortions except to save the life of the mother, provides for civil action against the mother, and imposes criminal penalties against a physician who performs the abortion. Sen. Thomas Neuville (R-Northfield), who failed in an attempt to pass a partial-birth abortion amendment on the Senate floor, testified in favor of the House language. Sen. John Hottinger (DFL-Mankato) also appeared before the committee to offer the same compromise language, banning the intact dilation and extraction procedure when a fetus is viable, which passed successfully on the Senate floor. The committee failed to take action on Hottinger's proposal.

The conferees discussed House language to require doctors and clinics to provide detailed data about the abortions they perform. Rep. Fran Bradley (R-Rochester) and Rep. Kevin Goodno (R-Moorhead) offered amendments to strengthen reporting requirements and provide for civil action against the Board of Medical Practice and Dept. of Health officials who fail to submit mandatory reports on abortions performed throughout the state. Sen. Sheila Kiscaden (R-Rochester) said, "This language moves us away from finding a compromise. We need a solution that allows public access and accountability on the part of officials but does not open a Pandora's box of civil litigation. We need administrative, not judicial, remedies." The panel failed to reach agreement and removed the House language from the bill.

Conferees also voted to remove several other controversial provisions. They removed a House provision giving parents access to the medical records of their unemancipated minor children who seek treatment for pregnancy, venereal disease, and alcohol, and drug abuse. The panel defeated a House "any willing provider" provision that requires health plan companies to cover services provided by a health care provider outside the company's network, if the provider meets certain requirements.

The panel also rejected House and Senate language regarding the use of federal Health Care Access Funds for a rural physicians program and family planning services. The failed House language provides that priority would be given to natural family planning services for any grants awarded from the federal funds and prohibits awarding grants to clinics that provide abortion services.

House presents offer

House conferees presented their offer on the K-12 education omnibus bill to the Senate conferees at a meeting of the K-12 education conference committee Weds., Apr. 1.

Rep. Becky Kelso (DFL-Shakopee), co-chair of the committee, said the House accepts the Senate position that the State Board of Education should be abolished. "But you don't just yank (the Board) without making preparations for a transition," she said. House conferees proposed a compromise provision creating a task force to look at the steps involved in changing the K-12 education governance structure.

Conferees discussed with the commissioner of Children, Families, and Learning (CFL) the ongoing issue of providing a staff resource person at CFL for gifted and talented programs. The House side reasserted its position that the commissioner of CFL be directed to designate a staff resource person for gifted and talented programs. The provision's sponsor, Rep. Mindy Greiling (DFL-Roseville), said the provision was in the K-12 education omnibus bill last year. However, the directive was not carried out by CFL so the provision was included again in this year's bill, she said. CFL Commissioner Bob Wedl told conferees that although a single person was not appointed full-time as a staff resource person for gifted and talented programs, four people in the department were appointed to give service to gifted and talented programs. Wedl said he is convinced that the department can address gifted and talented needs more effectively that way than by having one person assigned to it full-time. He said, "I have argued for a session with the gifted and talented community to get a better handle on what the needs and expectations are." Greiling said she has heard concerns from parents that if there isn't one person working on gifted and

talented needs full-time, there is no one who is ultimately responsible for it. She said Minnesota is one of the few states that doesn't have a full-time staff person for gifted and talented programs. Pogemiller told Wedl the committee is not satisfied that there has been a good effort by CFL to provide staff resources for gifted and talented programs.

The House offer also proposes phasing in the graduation rule and provides funds for implementation of the graduation rule on an ongoing per pupil basis. The offer incorporates both House and Senate provisions relating to charter schools, proposes a compromise position on facilities levy simplification, and raises the House appropriation for all-day kindergarten by \$4 million to meet the Senate level. The House offer accepts the Senate's elimination of the property tax shift, at a cost of \$90 million to the state, and a provision extending declining pupil unit aid for school districts affected by the flood in 1997.

Preview

The Senate Committee on Rules and Administration, chaired by Sen. Roger D. Moe, has tentatively scheduled a meeting for Monday, April 6, in room 107 Capitol. The time and agenda are to be announced. The Legislative Audit Commission, chaired by Sen. Deanna Wiener, will meet at 9 a.m. in room 125 Capitol. On the agenda is a review of the Best Practices Report on 911 Dispatching, and review and approval of program evaluation topics recommended by Topics Selection Subcommittee.

The Senate is expected to hold floor sessions each day of the week. Conference committees will continue to meet, however, schedules will be subject to change.

For general information and the latest schedule information, please contact the Senate Information Office at 296-0504, or toll free at 1-888-234-1112; or consult the Senate website at <http://www.senate.leg.state.mn.us>

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Floor update

Judiciary

Board appointments approved

The Judiciary Committee, Thurs., Apr. 2, recommended that the full Senate confirm the appointments of Verna Kelly and Suzanne White to the Board on Judicial Standards.

Committee Chair Jane Ranum (DFL-Mpls.) opened the brief confirmation hearing to discussion of the candidate's qualifications and future goals for the Board on Judicial Standards. Ranum said the candidates' primary responsibility is to uphold the board's longstanding tradition of ruling with fairness and impartiality on the conduct of judges under review.

Suzanne White, who has served on the Commission on Judicial Selection, said her seven years on the commission and her civic involvement has given her a unique perspective on the role of the judiciary and judicial conduct. In response to a question by Sen. Allan Spear (DFL-Mpls.), White said that she would remove herself from a case if a judge whom she selected while serving on the commission was under investigation.

Verna Kelly said she is seeking reappointment to the board and is currently serving as its chair. She said her highest priority in her new term would be to continue education and counseling programs for judicial candidates to prevent future violations of the judicial code of conduct. She said prevention programs have had a measure of success in reducing the number of cases brought before the board. She said raising five sons and 18 years of experience as social worker has given her sense of fair-play and objectivity.

Finally, Spear and Ranum urged the board to consider the issue of balancing representation on the board to reflect differences in party affiliation and to promote greater understanding of gender and multicultural issues facing the courts.

Monday, March 30

Volunteer bill passes

A bill requiring the state to pay the full salary of state employees who volunteer their services to the Red Cross during times of emergency was passed by the Senate on Special Orders during a floor session Mon., Mar. 31. The Senate also

passed the omnibus pension bill, adopted and passed a conference committee report, repassed another bill after concurring with House amendments, and introduced legislation to provide emergency relief to victims of the previous day's tornadoes in Southwestern and South Central Minnesota.

Sen. LeRoy Stumpf (DFL-Thief River Falls), sponsor of the emergency Red Cross volunteer services compensation bill, H.F. 2673, said that currently the state only pays 50 percent of a state employee's wages during volunteer service leave. Under the bill, state employees who are certified Red Cross volunteers are compensated at 100 percent of their normal salary when they assist in emergency relief efforts. State employees may only go on emergency service leave with the approval of their supervisors, and only for 15 working days per year. Stumpf said that 35 other states pay 100 percent of their states' employees' salaries in similar circumstances. Stumpf said that there is a tremendous need for trained Red Cross workers. Currently, Stumpf said, only eight state employees have received training to be certified volunteers, and of those eight, only two volunteered during last year's flooding.

Criticism of the bill was voiced by Sen. Martha Robertson (R-Minnetonka). Robertson said that there are only 800 Red Cross certified volunteers within Minnesota, and the eight state-employed volunteers only make up a small percentage of the total. She said that she was concerned that if the bill passes, next year the state may mandate private employers to reimburse their Red Cross volunteer employees at full salary. Passage of the bill would make her question the use of the word "volunteer," Robertson added.

Responding to Robertson's statement, Stumpf said that one of the reasons Minnesota only has eight volunteers who are state employees is because of the cost to those individuals under the 50 percent reimbursement. He said that other states that have 100 percent reimbursement have many more volunteers available. "It will increase the small handful of reserves we currently have," Stumpf added.

Support for the bill also came Sen. Ember Junge (DFL-New Hope), a co-author of the bill. Junge said that the volunteers would manage the techni-

cians. She said that the training provided by the Red Cross is in management of the other technical relief workers. She said that when the trained volunteers return to their jobs, the state benefits from their management skills. Junge added that the Red Cross workers are volunteers. She said that they don't plan ahead to leave for emergency service, and they may be away from their families for up to three weeks. The bill passed on a 46-17 roll call vote.

The Senate also acted on H.F. 2970, the omnibus pension bill, sponsored by Sen. Steven Morse (DFL-Dakota). Included in the bill are provisions that Morse said specify the treatment of pension plans of employees of public hospitals after those health facilities are privatized, specify the sharing of fees charged by an annuity vendor with the state system, change survivor benefits laws for the family of a murdered St. Paul housing inspector, put the judges' retirement plan on track with other state retirement plans, authorize the purchase of prior service credit by public employees, make changes to various local police and firefighter pension plans, and authorize the Legislative Commission on Pensions and Retirement to contract for actuarial services for up to four years.

Most of the discussion centered on an amendment offered by Sen. Dave Kleis (R-St. Cloud) requiring that at least 40 percent of the insurance companies providing retirement annuities be located in Minnesota. Morse opposed the amendment. He said that the amendment may lead to the selection of less competitive annuity vendors. Sen. Dave Johnson (DFL-Bloomington) also spoke against the Kleis amendment. He said that insurance companies that are selected as annuity vendors must meet a large number of financial criteria in order to qualify. Johnson said that the State Board of Investment has a responsibility to invest wisely and protect plan participants. Adopting the amendment undercuts the board's fiduciary responsibility, Johnson added.

Sen. Edward Oliver (R-Deephaven) lent support to Kleis' proposal. He said that all insurance companies that are considered for annuity contracts must meet quality standards that are extra strict. He said that the State Board of Investment puts together a list of insurance companies that they have selected.

Once a company is on the list, Oliver said, they don't want anyone else on it, a practice that Oliver said is called "fencing." Oliver said that the insurance business in Minnesota is growing and many quality companies are located here. By not sending the business to companies outside of Minnesota, Oliver said, the money stays in the state and produces Minnesota jobs.

Morse countered Oliver's arguments by saying that the annuity vendors are selected based on the quality of their investments. Morse said that the Kleis amendment adds a new criterion for selecting insurance companies based on where they're located. He said that he was concerned that if the provision is adopted, the Legislature may next make the State Board of Investment put money in other investments that don't make much sense. "It's a bad precedent," Morse added. The amendment failed on a 30-32 roll call vote. Later, the bill passed with a 64-0 roll call vote.

The Senate also adopted the conference committee report on S.F. 2192, sponsored by Sen. Dennis Frederickson (R-New Ulm). Frederickson said that the bill allows Brown County to establish an economic development authority. He said that last year legislation passed prohibiting local government units from using public corporations to do what they want. Under the bill, Frederickson said, existing public corporations are grandfathered, but are sunset on July 1, 1999. With the sunset, Frederickson said, public corporations will need explicit permission to continue beyond that date. The bill was repassed on a 64-0 roll call vote.

One other bill received final passage from the Senate. The "Media Shield bill," S.F. 1480, sponsored by Sen. Richard Cohen (DFL-St. Paul) returned from the other body with an amendment. Cohen said that the House changed "violations of law other than a misdemeanor" to "a gross misdemeanor or felony." On a motion by Cohen, the Senate concurred with the amendment and repassed the bill on a 64-0 roll call vote.

Legislation was also introduced to provide emergency relief to communities in Southwestern and South Central Minnesota that were damaged by tornadoes and severe weather activity the previous day. S.F. 3411, sponsored by Sen. Jim Vicker-

man (DFL-Tracy) appropriates money from the general fund to be used as a match for available federal money to assist in the recovery efforts.

Tuesday, March 31

Claims bill passes

In a relatively short session, the Senate repassed the conference committee report on S.F. 2274, a bill relating to liquor, and passed a bill on Special Orders that provides payment for certain claims against the state.

Little discussion occurred before the conference committee report on S.F. 2274 was approved. The bill, authored by Sen. Sam Solon (DFL-Duluth), regulates beer brewers and wholesalers. The bill modifies restrictions for temporary on-sale licenses and authorizes their issuance to state universities, regulates malt liquor sampling, authorizes certain cities to issue additional on-sale licenses, provides for the obligations of successors, and allows the Dept. of Public Safety to issue on-sale licenses to Giants Ridge and Ironworld Discovery Center.

A number of amendments to the bill were adopted by the conference committee. Amendments require the Dept. of Commerce to charge a fee for licenses in an amount comparable to the fee for licenses issued in surrounding cities, and allow Pine City to issue one on-sale intoxicating liquor license in addition to the number allowed by law. Another amendment exempts municipalities with fewer than 5,000 people from a provision permitting more than one temporary license to be issued to a municipality within any thirty-day period, if the licenses are issued in connection with an event officially designated as a community festival by the municipality.

The bill was repassed 52-0.

The claims bill, H.F. 3830, carried by Sen. Randy Kelly (DFL-St. Paul), provides for the payment of certain claims against the state, and authorizes the reimbursement of certain costs and fees.

Kelly said the bill is the annual claims bill heard every year by a joint House and Senate subcommittee. He said that the bill calls for the expenditures totalling \$134,000, \$46,000 of which is to be spent out of existing budgets by the Bureau of Criminal Apprehension and the departments of Agriculture, Revenue, and

Natural Resources. He said that new expenditures out of the general fund totalling \$87,000 go to the Departments of Corrections, Health and Human Services, and Labor and Industry for various claims.

Senators asked a number of questions regarding the specifics of the various claims. Sen. Dave Kleis (R-St. Cloud) said that he supported the bill, and that what isn't in the bill is more important than what is in the bill. "There were a lot of claims that obviously were denied, and this bill certainly presents a balance," said Kleis, noting that the claims in the bill are undoubtedly justifiable.

Sen. Claire Robling (R-Prior Lake) asked whether the claim for payment to a Benton County sheriff's deputy, who incurred a financial loss in the line of duty, would alternatively be covered by worker's compensation.

Kelly said that the case in question was quite unusual, and involved a deputy sheriff who stopped a car driven by a man who had already shot another police officer. The deputy shot and killed the armed man in self-defense, and suffered post-traumatic stress disorder, said Kelly, and the county commissioners denied the woman any benefits. He said that under worker's compensation rules, post-traumatic stress disorder is not recognized as an illness, and the deputy ended up losing \$27,000 in wages. Kelly said the committee recommended the claim be paid, sent a letter of admonishment to the county board, and drafted a letter to be sent to the House and Senate chairs asked them to look at whether post-traumatic stress disorder should be included under worker's compensation claims.

Robling said that she was concerned about the precedent involved in such a case, and questioned whether someone involved in shooting on behalf of the military would be able to come to the state and ask for coverage of their expenses.

Kelly said there has never been a case like this in his eight years on the subcommittee. "The Minnesota Police and Peace Officers' Association representative indicated that he thought what happened to this woman was an absolute travesty of justice," said Kelly. He said that the decision was nevertheless a hard one, but noted the representative was not able to imagine any other officer being

Floor update

treated similarly. "It was a tough call, but we felt under the circumstances that it was the right decision to make," said Kelly.

The bill passed 61-2.

Wednesday, April 1

Conference reports approved

The conference committee reports on the family and early childhood education bill, the state government operations bill, and the crime prevention bill, were all approved for final passage by the Senate Weds., Apr. 1.

Sen. Pat Piper (DFL-Austin) presented the final version of the family and early childhood education omnibus bill, as it was approved by the Family and Early Childhood Education Conference Committee. S.F. 2532 allocates \$21.773 million from the general fund for a variety of early childhood programs. Piper said the largest portion of the bill is a compromise package to fund both the basic sliding fee program and the dependent care tax credit. The bill appropriates \$5 million for basic sliding fee child-care and \$4.9 million to expand eligibility for the dependent care tax credit to low and middle-income families whose adjusted gross income is below \$37,000.

The bill also appropriates \$6.823 million for Temporary Assistance to Needy Families (TANF) and Minnesota Family Investment Program child care programs, \$1.875 million for Head Start, \$1 million for transitional housing support services, \$900,000 for emergency services to relieve homelessness, \$200,000 for a gang prevention initiative, \$200,000 for a lead abatement swab team program, and \$100,000 for First Call community information and referral.

Sen. Linda Runbeck (R-Circle Pines) said she opposed the bill on the grounds that government expenditures for child care assistance wrongly create more incentives for both parents of small children to go out and work. She said, "(the bill) encourages mothers to give their children over to the care of others, which should be a choice that they weigh carefully." She said many hard-working families in Minnesota are sacrificing in order to keep one parent at home, and that the taxes paid by those families should not be used to pay for other families to pay for child care. Piper responded that society has changed and

that it is now a reality that, in many families, both parents work. She said, "Now that women are needed in the workforce, society has an obligation to help parents in the raising of their children."

Sen. Claire Robling (R-New Hope) said she had a problem with the Family Assets for Independence Program, a pilot project created in the bill. The program provides a match of state funds for savings accounts established by low-income families to be used for education, home improvement, and small business investment. The state puts \$2 into the savings account for every \$1 put in by a low-income family. Robling said the money put into the account by a family is not earned income, but money they receive as a rebate from the earned income tax credit. Therefore, all of the money in the account is state money. She questioned the fairness of providing government money for the entirety of the savings accounts of qualifying families, while other families who don't qualify don't get any state money for a savings account. Sen. Linda Berglin (DFL-Mpls.) responded that the point of the savings account match is to encourage low-income families to save, rather than spend, the money received from the earned income tax credit. The conference committee report on S.F. 2532 was adopted and repassed 49-16.

Sen. Leonard Price (DFL-Woodbury) presented the conference committee report on S.F. 3354, the state government finance omnibus bill. Price highlighted items in the bill approved by the conference committee that are different from the version that was passed by the Senate.

He said Senate conferees accepted a House provision for an expenditure of \$25,000 to the Legislative Coordinating Commission to fund and organize a series of meetings between members of the Minnesota Legislature and members of the Manitoba and Ontario Parliaments.

The bill appropriates \$24.1 million to the Attorney General's Office in FY 99, including \$23 million for overall core functions. Another \$500,000 is provided for legal services to state agencies, \$250,000 for assistance to counties for felony prosecutions and other purposes, \$250,000 for gaming enforcement, and \$100,000 to educate citizens about telemarketing fraud.

Price said the bill appropriates \$2.2 million to the Office of Strategic and Long-Range Planning, including \$20,000 in FY 99 for a grant to the Southwest Regional Development Commission to assist local units of government with the preparation of local land use plans.

The \$4.9 million appropriation to the Dept. of Administration includes \$4.371 million in FY 99 for modifications of state business systems to address Year 2000 changes. Price said the Senate conferees agreed with the House position to appropriate \$150,000 for coordinating the Minnesota Alliance with Youth initiative, and \$44,000 to make the State Register and the Guidebook to State Agency Services available on the Internet. He said the Senate side accepted the House proposal to appropriate \$315,000 in FY 99 for a grant to Pioneer Public Television for the construction of a noncommercial television translator tower in Ottertail County. The bill appropriates \$750,000 to the public employees insurance program, which he said is a repayment of funds that had been borrowed from the fund previously. Also, \$100,000 is appropriated for a grant to the Minnesota Olympic development program to fund development of a statewide winter sports program for females and at-risk youth.

Price pointed out specific language in the bill that allows for a bonus payment to lottery retailers when lottery sales increase over sales the previous year. He said the bill includes compromise language on community based planning. He also pointed out language in the bill which requires the state to accept the gift of a portrait of Rudy and Lola Perpich to be hung in the Capitol Building if its provided by a private donor. The portrait of Rudy and Lola Perpich will replace the portrait of Gov. Rudy Perpich that currently is displayed on the ground floor of the Capitol Building.

Sen. Don Betzold (DFL-Fridley) commended Price and other members of the committee for producing a good bill on the whole, but he said he did not sign the report because he opposes the appropriation for a portrait of Perpich and his wife being hung in the Capitol Building. Betzold said the current portrait should be replaced with a portrait that reflects his two terms in office, but that the portrait should not include his wife. He said, "Mrs. Perpich, for all that she's

done for the state, wasn't the one who was elected governor." The conference committee report on S.F. 3354 was adopted and repassed 54-9.

Sen. Randy Kelly (DFL-St. Paul) presented the crime prevention omnibus bill, which he said is both forward-looking and pro-active. The bill appropriates \$822,000 in FY 98 and \$7.108 million in FY 99 to the criminal justice system. Kelly said the bill includes \$450,000 to provide defibrillators for law enforcement agencies throughout the state, \$700,000 for a project to build low-income housing statewide by using prison inmate labor, and funds for a number of studies.

Kelly said the bill resolves the historic problem of the existing public defender system by consolidating county public defenders into a unified statewide public defender system. The bill also establishes a one-year moratorium on building juvenile correctional facilities. In response to the recent increase in phenomena such as road rage and drive-by shootings, the bill increases the penalties for those offenses. The bill also increases the penalties against criminal sexual conduct by people in authority, specifically in the area of education, and puts Methamphetamine on a level with drugs like heroin and cocaine in setting drug-related sentences. Kelly said the bill cleans up a number of statutes that are currently on the books by recodifying mandatory sentencing provisions and the public defender statutes. He said the bill provides judicial reform by creating community courts in Hennepin County. Kelly said the intention is to move the courts out of courthouses and move them right into communities to deal with low-level offenses.

After hearing the summary of the bill, Sen. Richard Cohen (DFL-St. Paul) said the bill shows that the conference committee system is out of control. He said the bill, which was supposed to be a supplemental budget bill, had been turned into a policy bill. Cohen said the purpose of this year's session is to deal with the supplemental budget. Sen. Allan Spear (DFL-Mpls.) said it has been the case for the last 4 or 5 years that, while the Senate produces a separate crime prevention budget bill and deals with policy in separate bills, the House produces an omnibus crime prevention bill which rolls policy bills in with the budget. Spear said that none of the policy

bills passed in the Senate have passed independently in the House. "If we don't deal with them in the conference committee they're all going to die," he said. Cohen responded, "The Senate could just say no, we're not going to accept this kind of legislation with this kind of subterfuge in conference committee." Kelly said he agreed with Cohen that the House approach is a problem but that there isn't a clear solution.

Sen. Sheila Kiscaden (R-Rochester) said she, too, is unhappy with the House method of rolling all crime prevention policy bills into the finance bill. She said the Senate needs to send a clear message to the House, and she made a motion to have S.F. 3345 referred back to the Crime Prevention conference committee. Kelly said he opposed Kiscaden's motion. "This bill is the culmination of three months of work on the part of a lot of people. There are twenty-five policy bills contained in this bill, and if we strip out all of that there are about 25 authors that would be robbed of having their bills passed." Kiscaden responded, "There is nothing in the bill that is so urgent that it overrides the need to be prudent in how we bring conference committee reports forward. It's time to make the point to the House that we need a much more fair and amenable process." Spear said, "The time to reform the process is at the beginning of the session and not at the end of the session. There are a lot of things in here that are important to members. If this bill is returned, it won't get passed this year."

Sen. Thomas Neuville (R-Northfield) made a motion to table the conference committee report until the next day in order to give members a chance to consider whether to refer the report back to the conference committee. Neuville's motion was defeated 14-44 on a roll-call vote. The Kiscaden motion was also defeated, 13-51. The crime prevention omnibus bill was approved for final passage 64-1.

Thursday, April 2

Transportation report passed

The Thurs., Apr. 2, Senate floor session was devoted to the consideration of five conference committee reports. The first item slated for consideration was the omnibus transportation supplemental appropriations bill.

According to chief Senate conferee, Sen. Janet Johnson (DFL-North Branch), the conference committee report on S.F. 3298 contains only three major differences from the version originally passed by the Senate. The first is an additional \$5 million appropriation to be used for highway construction projects. When the measure left the Senate, the appropriation was \$35 million, however Senate conferees agreed to House language appropriating \$40 million. Another difference was the appropriation for additional Highway Patrol troopers. The Senate version of the bill funded an additional 25 troopers; the House version funded an additional 40 troopers. Johnson said, "The Senate conferees felt strongly that number should be kept at 25, but did agree to add 4 additional troopers to staff a task force on dealer licensing and motor vehicle registration enforcement required in the bill."

Johnson said that the Senate conferees also accepted House language dealing with the municipal state aid street system. She said that the language ensures that cities that agree to take back county roads receive full credit for those miles. Finally, Johnson said that the Senate conferees accepted a \$200,000 appropriation from the trunk highway fund for additional state patrol helicopter flight time to enhance law enforcement efforts.

The measure appropriates \$344,000 from the general fund for FY 99; \$50.837 million from the trunk highway fund for FY 98 and 99; and \$50,000 from the highway user tax distribution fund for FY 99. Of the appropriations, \$4.37 million is earmarked for the Dept. of Public Safety and \$46.861 million is for the Dept. of Transportation. The measure retains the language setting up a new distribution formula for the five percent of the net highway user tax distribution fund that is set aside. The five percent is apportioned with 30.5 percent going to the town road account, 16 percent earmarked for the town bridge account and 53.5 percent slated for the flexible highway account created in the bill.

The Senate adopted the conference committee report and repassed the measure on a 57-1 roll call vote.

In other action, members adopted and repassed four additional conference committee reports. S.F. 1378, authored by Sen. Don Betzold (DFL-Fridley) is the

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omnibus data privacy bill. Betzold said the House bill tracked well with the Senate bill and that there were few differences in the two versions. One difference resulted in language relating to juvenile data being removed from the compromise bill. Another difference concerned a clean-up of language for the release of driver's license data to neighborhood groups trying to stop prostitution in their neighborhoods. Other differences related to information dealing with parking space data and to the classification of data about a study done by the Dept. of Health on an Indian tribe. The report was adopted and the bill repassed 60-0.

The conference committee report on S.F. 2751 was also adopted and repassed. The measure, sponsored by Sen. Ellen Anderson (DFL-St. Paul) requires employers to provide reasonable unpaid break time each day to an employee who needs to express breast milk for her child. Anderson said that the only reason the measure went to conference committee was the need to rearrange sentences in the bill. The measure was repassed on a 49-11 roll call vote.

Sen. Linda Higgins (DFL-Mpls.) explained that the conference committee report for S.F. 2118 involved a narrowing in scope for the bill. The original Senate bill authorized voters in Hennepin County to vote by absentee ballot without qualification by submitting a request to the Hennepin County auditor. The compromise version of the bill narrows the measure to just the city of Minneapolis. The report was adopted and repassed 42-21.

Finally, members adopted and repassed the conference report on H.F. 2736. The measure, carried by Sen. Becky Lourey (DFL-Kerrick), authorizes counties to donate to food shelves. The bill was repassed 64-0.

Major Conference Committees

Capital budget conference

Differences explored

The Capital Budget Conference Committee met Thurs., Mar. 26, to hear testimony regarding several differences between the Senate and House versions of the omnibus capital budget bill, H.F. 3843. The committee is co-chaired by

Rep. Henry Kalis (DFL-Walters) and Sen. Keith Langseth (DFL-Glyndon). Conferees listened to presentations regarding funding requests for several projects.

The House has an appropriation of \$3 million for the Prairie Expo project, near Worthington. The Senate bill does not contain any funding for the project. Sen. Jim Vickerman (DFL-Tracy) said the Prairie Expo is a nine county project designed as a vehicle to reach the estimated 20,000 to 25,000 daily travelers on Interstate 90 through Southwest Minnesota. "Prairie Expo is designed as a means to promote our region's rich and varied attractions," Vickerman said. Additionally, he said that the project will include an exhibit area to promote the historical, agricultural, recreational and industrial strengths of the region. Vickerman added that a farmers market, animal barn, and amphitheater will also be included as attractions.

Vickerman said \$1.97 million has been secured for the non-state portion of the project. He added that the communities have been planning and raising money for the Prairie Expo project for 11 years and are ready to start construction when state funds become available.

The Senate has an appropriation of \$2.6 million to the Red Lake Band of Chippewa Indians for an employment opportunities education facility to be located on their reservation. The House version does not provide any funding for the project. Red Lake Tribal Chair Bobby Whitefeather said the project begins the process of nation building on the reservation that has, and continues to be, plagued by high levels of unemployment. Whitefeather said the project has two components. First, he said, the education facility will provide services such as personal life skills and pre-employment skills training for the tribal members unfamiliar with the work force. He said the facility is to be located adjacent to the Redby Industrial Park. Second, Whitefeather said, Anderson Fabrics, Inc. will establish a hard window production facility on the reservation, which will be the first private corporation to locate a business on the reservation. He said relocating the hard window portion of AFI's operation to the reservation includes the construction of a building, purchase of equipment and inventory, and the acquisition of working capital.

Langseth asked Whitefeather how many jobs AFI will provide on the reservation and what wages will be paid to employees. Whitefeather said he expected 40 families to make the transition from welfare into the manufacturing jobs. He added that the jobs will pay approximately \$7 per hour and child care will be provided for workers and students at the training facility.

Sen. Linda Berglin (DFL-Mpls.) asked Whitefeather how much the tribe has raised in local funds for the project. Whitefeather said \$1.36 million has been raised to fund the local portion of the project.

Conferees also heard testimony concerning funding for the Minnesota State Colleges and Universities. The Senate has provided \$139 million for MnSCU projects while the House has appropriated \$123 million. MnSCU Chancellor Morris Anderson said the \$186 million request from MnSCU is based on several priorities. He said the first priority is improving student services at the 53 campuses across the state while concentrating on improving existing facilities. Anderson added that it is important for the state to support MnSCU because it acts as the state's employment agency by providing 30,000 graduates each year and plays a large role in promoting economic development in communities.

U of M seeks bonding

The Capital Budget Conference Committee met Fri., Mar. 27, to hear testimony concerning differences between the Senate and House versions of the omnibus capital budget bill, H.F. 3843. The committee is co-chaired by Rep. Henry Kalis (DFL-Walters) and Sen. Keith Langseth (DFL-Glyndon).

University of Minnesota President Mark Yudof appeared before House and Senate conferees to answer questions about the university's bonding requests for 1998-99. The Senate has appropriated \$172.3 million for university projects while the House has appropriated \$114.7 million for the same purpose. Yudof said the university requested \$249 million for construction and restoration projects.

Yudof told committee members that the university administration considered three priorities when deciding what to ask for from the Legislature. First, he

said, the university administration knew it needed to be smart and realize that it can't do every project. He added that specific projects are not ranked in the proposal to the Legislature because the programs all are those that the administration thought were important. Second, he said, the university wanted to concentrate on projects that preserve the great history of the University of Minnesota. He added that 70 percent of the projects before the Legislature are for renovations to existing building and facilities with the remaining portion for new construction. Third, Yudof said, the projects presented for bonding consideration must improve the university experience for students, faculty and visitors. He added that two high profile projects before the conference committee, the Walker Library and the molecular biology laboratory are designed to accomplish that goal.

Sen. Richard Cohen (DFL-St. Paul) asked Yudof to explain the need for the Walker Library and the molecular biology building projects and to explain whether both needed to be done this year. Yudof said the Walker Library needs to be updated with the latest computer technology to ensure it remains a resource for students and faculty. He said the molecular biology building project will have enormous impact on the experience and recruitment of faculty and students. "It is difficult to recruit top faculty without strengthening the school and its research components," Yudof said. The House bill contains \$35 million for the Walker Library design and construction, while the Senate bill has \$61.5 million for the molecular biology building construction.

Sen. Linda Berglin (DFL-Mpls.) asked Yudof if the university has the resources to complete all the \$249 million in projects it has requested. Yudof said that the university only put projects on the list that it can complete in the next two years.

Conferees also heard testimony regarding transportation requests in the bills. The House bill contains \$115.6 million for transportation expenditures and the Senate bill has \$116.9 million for the same purpose. Both bills contain funding for local bridges. The Senate has \$34 million in its bill for local bridges and the House bill has \$31 million. The Senate provides \$9 million for the

departments St. Cloud headquarters, \$6 million for rural transit grants, and \$4.5 million for a metro transit radio system, while the House bill does not contain any funding for the projects. Conversely, the House bill contains \$35 million to repair and construct key bridges in the state and \$1.6 million for the Forest Highway 11 project, while the Senate bill has no funding for the projects.

State Aid for Local Transportation Division Director Patrick Murphy told conferees that the department looked back over the past 20 years to determine projects that need repair or construction. He said a total of 575 key bridges need work at a cost of \$34 million. He added that the department estimates that \$350 million will need to be spent over the next 10 years to repair bridges in the state.

Paul Erickson, executive director of the Amateur Sports Commission, appeared before the committee to discuss several of the commission's bonding requests that received funding in only one of the bills. Erickson said the House bill has a total of \$9.2 million for the Amateur Sports Commission while the Senate bill has \$5.5 million for the same purpose. Erickson said the Senate bill contains \$3.6 million for the Mighty Ducks Arena Grants. He said, to date, the program has built 50 new arenas for local communities. Berglin asked if there is still a need for the program. Erickson answered yes, and added that there are at least 20 to 30 communities in each congressional district that want help building facilities for youth hockey.

Erickson said the National Sports Center is slated to receive \$4.8 million in the House bill while the Senate provides only \$1.2 million. Erickson said the difference can be attributed to the House funding for the Youth Golf Course and related programs. Rep. Karen Clark (DFL-Mpls.) asked Erickson who the golf program would serve and if the agency would have any objections to language in the bill to ensure underprivileged children will have access. Erickson replied that the design of the program is to serve the children who don't have access to the sport.

Another point of difference between the House and Senate is funding for the Humboldt Avenue Greenway project in Minneapolis. The House bill has \$14 million for the project and the Senate bill does not have any funding. Sen.

Linda Higgins (DFL-Mpls.) said the project is important because Minneapolis needs to keep families in the city an must improve housing to do so. She said the program concentrates on improving parkways by removing blighted housing and replacing it with quality housing that is affordable. Higgins said the city, county, parks department and community groups are all participating in the restoration.

Rep. Cal Larson (R-Fergus Falls) told committee members that the \$1.5 million requested as the state contribution to the Fergus Falls Convention Center project is worthy of state funding. The Senate bill includes \$950,000 for the center and the House bill has \$250,000. Larson said the project is important because North and West Central Minnesota does not have a meeting facility that holds more than 200 people. "With major growth in the area, a place for groups to meet is vital," Larson said. Larson added that a study completed in 1994 shows that a convention center in Fergus Falls would host up to 120 events each year yet not compete with any existing convention facilities.

Rep. Loren Solberg (DFL-Bovey) asked Larson where the non-state funds are going to be generated for the project. Larson said the \$1.5 million match will come from a local sales tax that is making its way through the Legislative process. He added that if the sales tax is not approved by the legislature the city will issue general obligation bonds to account for the local match.

Comparison continues

The Capital Budget Conference Committee, chaired by Rep. Henry Kalis (DFL-Walters), continued reviewing the differences and similarities between the Senate and House versions of the capital budget bill at a Mon., Mar. 30, meeting.

As the review proceeded, committee staff explained the differences between corresponding provisions and members discussed the significance and origins of differences. A lengthy discussion emanated from a Senate provision appropriating \$2 million for a new water supply system for the city of Savage from the once through cooling system conversion loan fund. Dept. of Natural Resources (DNR) Deputy Commissioner Ron Nargang said the fund currently has a balance of \$2.8 million. Dianne Koebele, representing the city of Savage,

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said that the city needs a new water system to protect a nearby fen wetland complex. She said that the city's current water source is the Jordan/Prairie du Chien aquifer, which maintains the water level of the fen. Koebele said that the funding source of the appropriation has not been used since it was established, and could be used instead for the the new water system.

Rep. Steve Trimble (DFL-St. Paul) argued against the appropriation. He said that the fund was established a few years ago to help defray the cost of converting cooling systems that use groundwater and then dump it into the Mississippi River. He said that when the legislation was passed, it gave businesses until 2010 to make the conversion. Trimble said that the reason the fund has not been used is because the systems are very expensive and everyone still has another ten years before they have to make the conversion. He said it would be a mistake to use up the fund for Savage's city water system, and then have to use general fund money in ten years to convert cooling systems.

Kalis asked why the city had not applied for a loan through the Public Facilities Authority. Koebele said that it was her understanding that the city had made an application, but were denied. However, Terry Kuhlmann, Public Facilities Authority executive director, said that to the best of his knowledge, Savage had never applied for a loan. Kuhlmann added that because of the environmental concerns, Savage would rank high on the priority list.

The panel also discussed differences in provisions concerning appropriations to the Dept. of Natural Resources (DNR) for asset preservation. Sen. Gary Laidig (R-Stillwater) said that the Senate language is clear and concise about the specific allocations of the funds, but the broadness of the House language could cause some problems. Rep. Loren Solberg (DFL-Bovey) said that the House language provides flexibility in the use of the appropriations. Nargang offered that the more concise language indicates what the department should consider as a priority.

Differences in provisions concerning land acquisition for the Metro Regional Parks generated some discussion. Specifically, Solberg questioned Senate language giving approval authority to the Legislative Commission on Minnesota

Resources (LCMR) over land acquisitions that involve the purchase of houses. Laidig said that the provision originated a few years ago when a regional park was being developed in north Washington County. He said that many expensive homes were located on the land being acquired, making the acquisition much more expensive. Laidig added that the LCMR is composed of key environmental policy Legislators who appropriate money to the DNR, so it is appropriate for them to review the acquisition plans.

Conferees were alerted to the possible need to amend a House provision concerning a grant for the Como Park Education Resource Center. The provision requires that admission to the zoo remain free for the life of the financing bonds. The potential problem with the provision, Trimble explained, is that the zoo does solicit donations from visitors and rents the conservatory for wedding receptions and similar events. Trimble said that the provision may prohibit those kinds of transactions even though the city does intend to maintain free admission to the zoo.

The two versions also differed in provisions concerning appropriations to construct roads and bridges in state forests. A House provision grants authority to build a road in peat areas in Northern Minnesota. Laidig questioned the use of state money to construct a road so that private entrepreneurs can harvest the state's peat resources. Nargang said that the DNR has evaluated the peat deposits and found that some are ecologically significant, some are suitable for use as fuel, and some can be used for horticulture. Nargang added that there are conflicting opinions from the Attorney General's Office as to whether the DNR can charge businesses for using a state road to access the peat deposits.

The panel planned to complete the comparison of the two versions before adopting any provisions for the compromise proposal.

Agreements on language

Conferees focused on the adoption of language provisions at the Capital Budget Conference Committee meeting Wed., Apr. 1. The conference committee, co-chaired by Sen. Keith Langseth (DFL-Glyndon) and Rep. Henry Kalis (DFL-Walters), agreed to include identical language in the bills as part of the

omnibus capital budget bill, H.F. 3843. Members also reached separate agreements in areas were the House and Senate bills contain different language provisions. No funding provisions for the various projects were adopted.

The conferees adopted House language regarding an appropriation from the general fund to match federal and local funding for the planning design, engineering, and construction of transit ways in the Metropolitan Area. Members adopted amended House language for a major investment and implementation study regarding commuter rail in the Northstar corridor linking the Minneapolis-St. Paul International Airport and downtown Minneapolis to the St. Cloud area. The language requires that the study focus on the feasibility of commuter rail and other transportation improvements within the corridor. The committee also adopted language concerning the Hiawatha corridor. The language requires an advisory committee to be established to advise the corridor management committee on issues relating to the preliminary engineering, final design, and construction of light rail facilities, including the proposed alignment for the corridor.

House language was adopted allowing the Hennipin County Regional Railroad Authority to expend funds for a circulator vehicle pilot project in South Minneapolis. Conferees also adopted House language relating to veterans homes in Minneapolis and Hastings. Under the language, the Minneapolis Veteran's Home receives funds for design and construction of capital infrastructure improvements to tunnels, pipping systems, and utility systems at the facility and the Hastings Veteran's home receives funding for design and renovation of the power plant, boiler, and related utility infrastructure.

Members adopted House language for a grant to the city of Minneapolis to pay principal costs on the city's \$178.9 million general obligation bonds. The language states that it is the expectation of the Legislature that the city will issue bonds and pay all capital and operating costs associated with the expansion of the existing Minneapolis Convention Center. Conferees also adopted language for a grant to the Duluth Entertainment and Convention Authority for the purpose of planning, designing, constructing, and equipping capital improve-

ments to the Duluth Entertainment and Convention Center. The language directs the commissioner of trade and economic development will hold the grant until an equal amount of money is committed from non-state sources.

Conferees approved House language relating to an expenditure to the Indian Affairs Council for construction of the Battle Point Cultural and Education Center and Senate Language providing for the taconite mining grant program.

Members approved House language for a grant to the city of Crookston for capital development of its Valley Technology Park located on the campus of the University of Minnesota at Crookston. The appropriation is not available until an equal amount has been secured from non-state sources. Senate Language was adopted that provides a grant to the city of St. Cloud to construct, furnish, and equip the Paramount Arts District Regional Arts Center. The language requires that the grant is not available until it has been determined that the necessary additional financing to complete the \$5.4 million project has been secured from non-state sources.

Conferees also adopted House language regarding the Phalen Corridor Right-of-Way project. The language directs the commissioner of trade and economic development to provide a grant to the city of St. Paul to acquire a roadway right-of-way in the Phalen corridor. The grant must be matched by non-state sources before it can be issued. Members also approved language for a grant to the city of Montevideo for exterior improvements to the city's historic railroad depot and for design and development of a related parking area, trail head, and public facilities at the site.

Conferees approved Senate language for an appropriation to the Minnesota Historical Society for capital repair, reconstruction, or replacement of deferred maintenance needs at state historical sites, buildings, exhibits, markers, and monuments. Under House language that was adopted, the historical society will also receive a grant for Nicollet County to design and construct a new central exhibit and treaty center. The language requires that the grant not be made available until an equal amount of non-state resources has been secured for the project. Conferees adopted language for a grant to the city of

Bemidji to pay up to one half of the total costs, including acquisition, design, other preliminary work, construction costs, furniture, fixtures, and equipment, to convert an abandoned historic railroad depot, within the city, to a historical museum and facility for the Beltrami County Historical Society.

Crime Prevention Conference

Proposal reviewed

The Thurs., Mar. 26, meeting of the Crime Prevention and Judiciary Conference Committee was devoted to reviewing the latest Senate proposal regarding outstanding differences between the House and Senate. The panel, chaired by Rep. Mary Murphy (DFL-Hermantown), discussed several amendments to the proposal but took no formal action. In addition, members had an in-depth discussion of populations and bed capacity at state juvenile corrections facilities.

The main areas of disagreement between the two sides continued to be the issue of allowing the sex offender program at Sauk Centre to end as prescribed by law, the proposal by the Dept. of Corrections' to employ inmates in a program of constructing low-income housing, and the issue of mandatory life sentences for dangerous and repeat offenders.

The Senate proposal provides that Sauk Centre will close as specified by last year's law. The offer also prohibits the licensing of juvenile facilities that accept juveniles from out of state without receiving educational costs from the sending state. In addition the proposal provides \$1 million for the low-income housing construction program. The Senate also offered different "three strikes" language. Under the Senate offer, dangerous and repeat offenders would, in addition to the sentence, be subject to lifetime probation. Further, under the proposal, the Dept. of Corrections would supervise the offender's probation, there could be permissive discharge of probation if the offender doesn't commit a new crime for ten years or permissive discharge of probation if the entire sentence is served. The proposal also contains the Senate position on public defenders in the 2nd and 4th judicial districts. Under the proposal, individuals hired on or after January 1, 1999 are state employees, rather than county employees.

The Senate proposal also included a \$200,000 appropriation to establish a center for applied research and policy analysis at Metropolitan State University.

The panel adjourned in order for House conferees to consider the proposal.

Differences resolved

Members of the Crime Prevention and Judiciary Conference Committee met Fri., Mar. 27, and, over the course of the six hour hearing, resolved the outstanding differences in the House and Senate versions of the omnibus supplemental appropriations bill, S.F. 3345.

The panel, chaired by Sen. Randy Kelly (DFL-St. Paul), worked from documents incorporating the latest Senate proposal. Various amendments were offered by both House and Senate members to come up with the compromise package.

One of the first amendments offered was to a Senate amendment dealing with the appropriation for the Minnesota State Colleges and Universities Board for a center for applied research and policy analysis at Metropolitan State University. The amendment, offered by Rep. Wes Skoglund (DFL-Mpls.), provides an appropriation for the Legislative Audit Commission to conduct a two phase study on the cost of crime. Sen. Allan Spear (DFL-Mpls.) said that the two phase approach was a better way to direct the study. In addition, Spear suggested that language requiring the Legislative Audit Commission to conduct a bail study be changed to require the Dept. of Administration conduct the study. He said that the department was better equipped to handle the study and that there is reluctance to dictate topics for the Legislative Audit Commission to review. The amendment to the amendment was adopted. The original amendment also required a study of the guilty but mentally ill verdict and other issues relating to mental health and the criminal justice system. The center is also directed to study innovative uses of biometrics in law enforcement and evaluate the costs. The amendment was adopted as part of the compromise package.

Members also adopted several compromise provisions contained in the Senate proposal offered the day before. The compromises include adopting the Senate position on subsequent controlled

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substance convictions; an amended provision requiring the Dept. of Corrections to present a plan to reduce inmate per diem health care costs, adjusting for inflation, to the national average cost; adopting House language on civil commitment notification; adopting Senate language relating to methamphetamine sale, possession or manufacture; adopting language relating to warrantless arrest technical provisions; adopting the Senate positions on pretrial release conditions and conditional release verification card; and adopting provisions specifying a June 1, 1998 effective date for crimes motivated by involvement with a gang. Members also adopted language allowing the crime alert network to charge fees for services rendered by the network.

Rep. Mary Murphy (DFL-Hermantown) offered an amendment detailing a compromise on the Sauk Centre issue. Under the amendment, the commissioner of corrections is authorized to place juveniles committed to the commissioner at Sauk Centre if bed space is not available at Red Wing. The Senate position on the issue was that the facility close as prescribed in law. The amendment failed to gain the panel's approval.

The issue of life sentences upon third conviction generated lengthy discussion. The Senate position provided for lifetime probation with the Dept. of Corrections supervising the offender. In addition, the Senate position provided for permissive discharge of probation if the offender does not commit a new crime for ten years and permissive discharge of probation if the entire sentence is executed. Skoglund moved to substitute the House language requiring life sentences. Sen. Thomas Neuville (R-Northfield) said that he supported the concept of life sentences, but the bed impact is just too high to adopt the House position. The motion failed. Rep. Peg Larsen (R-Lakeland) offered an amendment providing for 30 year sentences and eliminating some of the crimes eligible for the lifetime probation. The amendment also failed, as did an amendment offered by Skoglund requiring prison sentences upon conviction of a second violent crime or a third property crime. The Senate language, requiring lifetime probation also failed to be adopted.

Members also adopted language that

was contained in the last Senate proposal regarding the general crime provisions contained in the bill. The provisions contain a mixture of House and Senate language relating to community services.

One of the more contentious topics of discussion was over a House provision relating to a fair housing initiative. The House proposed an appropriation of \$225,000 for the commissioner of human rights to make grants to eligible organizations for fair housing activities to prevent or eliminate housing discrimination. Further, the House language specified that the grants may be used for testing and education about housing discrimination. The Senate proposal provides \$75,000 for education about housing discrimination. Rep. Matt Entenza (DFL-St. Paul), argued against limiting the appropriation to education only and offered an amendment to allow both testing and education. Entenza said that additional testing is needed because many communities don't realize there is a problem. Sen. David Knutson (R-Burnsville) and Kelly countered that the focus should be on changing attitudes by education. The Entenza amendment providing for a \$100,000 appropriation and allowing both testing and education was adopted.

The final breakthrough in the conference committee came with resolution of differing House and Senate positions on provisions allowing the Dept. of Corrections to use inmate labor to construct low income housing. The Senate originally had an appropriation for \$1 million for the program. Skoglund offered and amendment reducing the appropriation to \$500,000 and designating the appropriation to sentence to serve programming. The amendment also provided that the sentence to serve programming could include the low income housing construction program. After discussion by conferees on both sides a compromise was reached. Under the compromise, the Senate reduced the housing construction appropriation to \$700,000, provided \$100,000 for the fair housing initiative, and provided \$75,000 for a parental cooperation task force. The proposal was adopted. Several amendments relating to educational issues were also adopted before members formally adopted language agreed upon in other meetings and the remainder of the proposal under consideration.

Kelly indicated that the conferees would meet at least one more time in order to review the actions taken and the specific language contained in the compromise package.

Compromise bill okayed

Members of the Crime Prevention and Judiciary Conference Committee met for a final time Tues., Mar. 31, to review the final version of S.F. 3345, the omnibus supplemental appropriations bill. The compromise version of the measure appropriates a total of \$7.93 million for crime prevention, corrections and judiciary expenditures for FY 98-99. However, \$3.014 million in revenue is raised through various fee increases in the measure, bringing the net impact to \$4.916 million.

The conference committee package contains provisions bringing the 2nd and 4th Judicial Districts' public defenders into the statewide public defenders office, providing funding for a variety of community services initiatives, providing funding for a number of law enforcement and community grants and requiring a series of studies.

Under the measure, \$200,000 is appropriated for the Weed and Seed program, \$450,000 is appropriated for defibrillator grants, \$50,000 is appropriated for a Minnesota Safety Council crosswalk safety grant and \$50,000 is appropriated for a truancy services center in Anoka. A Dept. of Human Rights fair housing initiative, to study and educate the public about housing discrimination, received an appropriation of \$100,000. An appropriation of \$700,000 is earmarked for the sentence to service program with the expectation the funds will be used for a project in which corrections inmates assist in constructing low-income housing. The measure also request that the Legislative Audit Commission conduct a cost of crime study, directs the Dept. of Administration to conduct a bail study and provides for a study of the guilty but mentally ill issue.

In addition, appropriations were approved for break the cycle of violence grants, community restorative justice grants, substance abuse intervention in neighborhoods, and prostitution support service grants. Also, the measure provides \$200,000 to establish a center for applied research at Metropolitan State University.

Conference committee members, chaired by Sen. Randy Kelly (DFL-St. Paul) and Rep. Mary Murphy (DFL-Hermantown), approved the measure and recommended the committee report be adopted and repassed by the Senate and House of Representatives.

Environment and Agriculture Conference

Feedlot agreement reached

Saying "There's no reason we can't finish this today," Sen. Steve Morse (DFL-Dakota) called conferees on the Environment and Agriculture supplemental budget bill, S.F. 3353, to order. Members immediately turned their attention to one of the more contentious issues -- feedlot regulation.

Controversy swirls around the issue of when an environmental review is required to expand an existing, or construct a new livestock feedlot facility. Previously, an environmental review was required for any single facility that was designed for 2,000 or more confined animals, or 1,000 or more unconfined animals. That threshold applied to both independent facilities and those that were operationally integrated, or "connected" with other facilities even though they are separated by distance. Eventually, regulations were modified to consider the total environmental impact of all connected facilities located within six miles of each other. Also, as existing facilities expanded, review regulations were rewritten to cover the "phased" development of those facilities. As environmental concerns grew, regulators were pressured to consider the total impact of the entire integrated operation throughout the state, not just the impact of the various parts.

At the beginning of the conference process, the House proposed a three-year moratorium on feedlot development. On the other hand, the Senate proposed that each facility be considered separately as to whether it required environmental review before the issuance of a permit.

Morse distributed an amendment proposing changes to a pending amendment offered previously by Sen. Dallas Sams (DFL-Staples). Under the amendment, a one year moratorium is imposed on feedlot development. During that time, Morse said that the amendment

authorizes the Environmental Quality Board (EQB) to develop rules specifying the point where environmental review is required for phase developed or connected facilities. According to Morse, the EQB must submit the rules to the Legislature for review, and the rules won't go into effect until 60 days after the Legislature receives them. Morse said that the phase and connect rule makes a lot of sense, but it's not perfect, especially in regards to remote locations. Morse said that he expected that the House members would drop their position on the feedlot moratorium if the amendment was adopted. In addition, the Pollution Control Agency (PCA) would need a \$300,000 appropriation to implement the provision, Morse said.

Several House members voiced reservations with Morse's amendment, specifically a provision allowing the EQB to make revisions to the phase and connect rule. Rep. Betty McCollum (DFL-North St. Paul), said that by using the phrase "revise and clarify," it shows legislative intent to make changes to the rules, but at this point the Legislature won't know what the changes will be. Rep. Tom Osthoff (DFL-St. Paul), chief House conferee, said that elsewhere the amendment authorizes the PCA to "study and adopt rules," and he thought that gave the agency enough latitude to make any necessary revisions. Senate conferees were reluctant to change the amendment. Sams said that as the PCA studies the issue, there will need to be revisions to the rules that they adopt. Sams moved the amendment, but it was not adopted.

Later, Sams moved an amendment that was a combination of the two previous amendments. In addition, Sams proposed an oral amendment limiting the rule adoption process to "connected actions on" animal feedlots and the need for environmental review. Sams said that the new proposal narrows the focus to the affected area and will save money and time. Morse added that by narrowing the scope of the rules, it reduces possible revisions in the rules. Sams amendment was adopted by the panel, bringing the feedlots issue to a resolution.

Turning their attention to the financial aspects of the bill, the House members offered a new spreadsheet. Discussion covered the effect of the proposal on various programs, including lake ecosystem monitoring, outdoor skills programs,

the ethanol production promotion program and the Minnesota Grown program. However, Morse said that the proposal moved too many appropriations to future fiscal years, thus making the fiscal tails implications too great. Unable to reach a resolution, the committee adjourned to allow members time to study the proposal and make counter offers.

Snowmobile studs regulated

The conference committee on the Environment and Agriculture supplemental appropriations reconvened Tues., Mar. 31, to continue their work at reaching a compromise agreement. Rep. Tom Osthoff (DFL-St. Paul), House co-chair, said the panel would first work on rider language, and then on appropriation.

Members quickly adopted two amendments, one offered by Sen. Steven Morse (DFL-Dakota) deleting a reference to the Office of Environmental Assistance for pollution prevention training grants, and the other, offered by Rep. Betty McCollum (DFL-North St. Paul), raising the license fee to \$12 for rental personal watercraft.

Osthoff then offered an amendment regulating the use of carbide studs on snowmobile traction drives. He said that the amendment allows the use of the studs for one year with the payment of a \$50 fee, then bans the studs. Osthoff said that he personally preferred an immediate ban, but the bill won't pass the House without a one year allowance. Osthoff added that he didn't think the \$50 fee was adequate to pay for the estimated \$1.5 million in damage to state trails that the studs will cause in a year.

Another provision in Osthoff's amendment, removing the authority to seize snowmobiles found in violation of the ban, raised the concern of Morse. He said that it's a mistake to remove the enforcement provisions. Morse moved to reinstate the forfeiture provision, but only for second or subsequent offenses. He said that most violators will stop after getting a ticket for the first offense. Morse's motion was adopted, as was Osthoff's amendment. Sen. Bob Lessard (DFL-Int'l. Falls) questioned the effect of the stud ban on areas that don't have state trails. Osthoff responded that individuals are free to do whatever they want on private land.

Later, the committee continued negotiations on appropriation amounts.

Conference update

Committee reaches accord

The Environment and Agriculture Conference Committee agreed to final budget numbers for the omnibus environment and agriculture bill, Weds., Apr. 1.

Total appropriations for the FY 98-99 biennium are \$17.24 million. Appropriations to the Pollution Control Agency total \$1.39 million, and are allocated to a number of projects, including county feedlot grants, fish research grants, wastewater infrastructure funding administration, a cost-benefit analysis of rule-making, frog investigations, federal clean water programming, and Benton County for payment of lawsuit settlement costs.

Appropriations to the DNR total \$10.99 million for the biennium. Almost every project initiated by the governor, House or Senate is funded at some level. Projects not funded include the Sauk Dam, the St. Croix Valley Heritage Center, an aquatic plant manual to be produced by the Minnesota Extension Service at the U of M, and year 2000 compliance projects for the DNR. Over 30 appropriations to the DNR are funded.

Minnesota Zoo appropriations for the biennium total \$1.5 million. Board of Water and Soil Resources appropriations total \$1.4 million, and include funding for four projects, including Quad Lakes restoration, dairy water quality grants, consolidating existing shoreland and lake-related guidebooks, and using tree breaks to serve as snow fences.

Appropriations to the Dept. of Agriculture for the biennium total \$2.41 million. The only appropriations to be zeroed out are for Rural Finance Authority value-added processing initiatives, and ethanol expansion. Appropriations approved include funding for gypsy moth responses, meat inspection programming, farmer's market nutritional programs, livestock depredation payments, beaver damage grants, milk market litigation, dairy diagnostics teams, a cooperative grant program, market champ animal breeding initiatives, the Passing on the Farm Center, manure digester technology, cider technology, a wolf depredation study, and commercial manure applicators' licensing.

The committee discussed various aspects of the state's ethanol production programs, including methods that can be used to include the Minnesota Brewing Company into the state's program. An amendment was adopted relating to

overall production capacity limits, permitting the Minnesota Brewing company to produce outside of the present production caps in place.

Family and Early Childhood Conference

Omnibus bill adopted

The Family and Early Childhood Education Conference Committee met Mon. evening, Mar. 30, to present the final version of the family and early childhood education omnibus bill, S.F. 2532. The conference committee, chaired by Rep. Tony Kinkel (DFL-Park Rapids) and Sen. Pat Piper (DFL-Austin), reached agreement on policy and funding provisions in both the House and Senate versions of the bill.

The final version of the omnibus bill allocates a total of \$21.773 million from the general fund to a variety of early childhood programs. The cornerstone of the bill is a compromise package to fund both the dependent care tax credit and the basic sliding fee program. The bill allocates \$5 million to basic sliding fee and \$4.9 million to the tax credit. The dependant care program in the final version increases eligibility to low and middle income families whose adjusted gross income is below \$37,000. In the previous House version, the cutoff for eligibility was \$30,080. Moreover, Piper had argued against allocating early childhood budget funds to tax credits in earlier conference committee meetings.

The package also includes FY 98-99 funding for Head Start (\$1.875 million), Gang Prevention Grants (\$200,000), a lead abatement swab team program (\$200,000), First Call community information and referral (\$100,000), emergency services to relieve homelessness (\$900,000), Family Assets for Independence program (\$775,000), transitional housing support services (\$1 million), Temporary Assistance to Needy Families (TANF) and Minnesota Family Investment Program child care programs (\$6.823 million, which is the original recommendations of the governor and both bodies).

Committee staff reviewed the policy considerations behind the compromise package. They pointed to longitudinal studies demonstrating the positive effect that Head Start dollars have in reducing

delinquency and developmental difficulties in juveniles. The Family Assets for Independence Program is a scaled-down version of the House proposal and establishes 2-4 pilot projects in the Metro Area and Greater Minnesota. The program provides matching state, federal, and private funds for a savings account established by qualifying families to be used for education, home improvement, and small business investment. Emergency services and transitional housing dollars would go toward relieving homelessness in Minnesota. According to one study, 47 percent of the homeless in Minnesota are young children.

Conferees also allocated \$5 million to TANF child care development initiatives, which meets the governor's target. The provisions include \$1.5 million for the child care data management program, \$2.2 million for the child care service development program, \$300,000 for the loan forgiveness grants program for child care providers, \$500,000 to the non-standard hour care development program, and \$500,000 for the school age care cooperation program. Committee staff said the final version differs from the House version in that it sets priorities for program funding, but allows more flexibility at the local level and among state agencies in setting funding levels.

The panel adopted the compromise package and sent it to the House and Senate floors for re-passage.

State Depts. Conference

Agreement reached

The conference committee for S.F. 3354, the state government supplemental budget bill held a hearing Mon., Mar. 30. The meeting was chaired by Sen. Leonard Price (DFL-Woodbury). The conferees reached final agreement on funding and language provisions to be included in the conference committee report.

The meeting began with a proposal made by the House delegation to reconcile the remaining differences in the bills. Chief House conferee, Rep. Tom Rukavina (DFL-Virginia), proposed that members agree to accept as part of the final bill language proposed by Rep. Phyllis Kahn (DFL-Mpls.) regarding the "connect Minnesota" fiber optic cable in highway rights-of-way review, language offered by Sen. John Hottinger (DFL-

Mankato) for a one year review of trial judges, language offered by Sen. Deanna Wiener (DFL-Eagan) establishing a task force to develop detailed proposals regarding state regulation of occupations, language offered by Sen. Dennis Frederickson (R-New Ulm) on administrative law judges providing a Feb 15, 1999 sunset date, Kahn language regarding any new Metrodome lease, Kahn language regarding any new Metrodome lease, and Senate language regarding Legislator and constitutional officer pension contribution transfers.

Rukavina said the House proposal also includes an amendment regarding community based planning. He said with the revised House language counties or joint planning districts are still required to submit a plan to the Office of Strategic and Long Range Planning, however the state cannot force repayment of the grant if the local entity refuses to alter the plan or enter into mediation. Rukavina said if the county or district does not agree to enter into the dispute resolution process it will be ineligible for any future grant disbursements related to community-based planning activities. However, he added that with the House language, priority for other state grants, loans and other discretionary spending must not be given to local units of government based on their participation in community-based planning. Following a one hour recess the House proposal was not agreed to by conferees.

Price offered a Senate counter proposal to resolve outstanding issues between the two bills. Price said Senate conferees were prepared to adopt the Wiener language regarding an occupational task force, and the Senate language relating to Legislator and constitutional officer pension contribution transfer. Price said Senate conferees also want to adopt the Frederickson language on administrative law judges providing a Feb 15, 1999 sunset date, if the language is amended to specify that the powers and duties assigned to the workers' compensation judges at the Dept. of Labor are transferred from the commissioner of labor and industry to the chief administrative law judge in the Office of Administrative Hearings. Frederickson said the change was requested by the Governor's Office to ensure that the transfer of responsibilities goes from agency to agency. Price also said the Senate would agree to revised

community based planning language, however under the Senate proposal the state can force repayment of the grant if the local entity refuses to alter the plan or enter into mediation. Price said the revised language on community based planning came in part from the Association of Minnesota Counties.

Rukavina said he would not support the community based planning language offered by the Senate because, although it does represent some change from the Senate's original position on the issue, it does not address any of the House concerns. Rep. Mike Osskopp (R-Lake City) also voiced his opposition to the language and said that participation in the program should not be a prerequisite for receiving planning grants. The Senate proposal was not adopted.

After a short recess House conferees put forward a second proposal to address the outstanding issues. Rukavina said the House accepted the Frederickson language on administrative law judges. In addition, Rukavina said the House accepted Senate language regarding Legislator and constitutional officer pension contribution transfers, if the Senate accepts the Kahn language regarding any new Metrodome lease, the House language for a portrait of Rudy and Lola Perpich, and the revised House language on community based planning.

Price said the Senate would agree with the House proposal except for the Kahn language regarding any new Metrodome lease. The House proposal except for the provision regarding the Metrodome lease was adopted. The conference committee report was recommended to pass and sent to the House and Senate floor for re-passage.

Higher Ed Conference

Appropriations proposals begin

The Higher Education Conference Committee met to consider the first appropriations proposal offered by House conferees, Mon., Mar. 30.

Committee Co-chair Gene Pelowski (DFL-Winona) said the tentative proposal changes a number of House appropriations to the Higher Education Services Office (HESO), and modifies the overall targets for the U of M and MnSCU.

House changes to FY 99 appropriations for HESO increase overall, from \$18 million to \$20.1 million. Dropped are

HESO appropriations for increases in work study funds and private college financial aid caps, totalling \$1.5 million and \$3 million, respectively. Under the House proposal, the allocation providing for the redistribution of Pell grant funds from federal aid changes is reduced from \$13.5 million to \$11.3 million. The House proposal also adds an appropriation made by the Senate to reduce the student's aid share of the cost of education. Whereas the Senate proposal allocates \$13.5 million, which would reduce students' aid share to 47 percent of educational costs, the House proposal allocates \$8.8 million, which would reduce the students' aid share to 48 percent of educational costs.

The overall FY 99 targets for MnSCU and the U of M decrease under the House proposal. Appropriations to MnSCU decrease from \$39 million to \$33.4 million, and appropriations for the U of M decrease from \$38.5 million to \$33 million. Specific cuts for either institution are yet to be determined.

Rep. Lyndon Carlson (DFL-Crystal) said that the proposal blends a number of Senate and House positions, and that increases to the Pell grant pass-through appropriations are going to make sure students will not be dropped as a result of the new federal aid increases.

"We're trying to correct a federal problem, not a state problem," said Pelowski.

Committee Co-chair LeRoy Stumpf (DFL-Thief River Falls) asked what would happen if the money appropriated for the Pell grant pass-through were to be applied instead to reducing a student's assigned cost of attendance, noting that the overall consideration is to provide the greatest savings for students.

Carlson said that reducing a student's aid share to 45 percent would result in an aid increase of \$350 for community or technical college students, \$395 for state university students, \$480 for U of M students, \$650 for private four-year college students, and \$555 for two-year private trade school students. He said that combining the Pell grant pass-through with reductions of a students' aid share to 48 percent would result in aid increases of \$439 for community or technical college students, \$457 for state university students, \$491 for U of M students, \$559 for private four-year private college students, and \$522 for two-year private trade school students.

Conference update

Negotiations continue

Committee Co-chair LeRoy Stumpf (DFL-Thief River Falls) presented House members of the Higher Education Conference Committee with an oral counteroffer for Higher Education Services Office (HESO) appropriations, Tues., Mar. 31.

Stumpf said the Senate proposal is to reduce the student share of the cost of education to 46 percent, and use whatever money is left over for work study appropriations. He said that the cost of education has increased faster than inflation or the CPI, which has skewed the total amounts that students have paid for their education. "The Senate preference is to take the financial aid we have in the bill, and reduce the student share to 45 percent," said Stumpf, noting that the proposal almost reaches that level. He said the reduction to 45 percent would reduce the student aid share to 1992 levels.

The original Senate HESO allocations for FY 99 totaled \$16.42 million, including \$13.5 million to reduce the student share of education costs from 50 percent to 47 percent. The other \$2.9 million was appropriated for carryforwards of EDVEST, an educational savings program.

Co-chair Gene Pelowski (DFL-Winona) said that he was disappointed with the Senate offer, noting that the House members had been looking for more of a compromise. He said that the Senate conferees were retreating further into their current stance, and the House would not be able to respond until some level of compromise was offered.

Headway was made on a number of less controversial items, which were approved with little discussion. Approved sections of the bill include House provisions delaying not-for-profit schools' mandatory adoption of various new requirements and ensuring year 2000 compliance for all purchases made by the U of M and MnSCU. Other House provisions which were adopted clarify the nonprofit foundation status of the Nellie Stone Johnson scholarship program, request that MnSCU and the U of M study the need for practitioner-oriented doctoral degree opportunities, and clarify that Agricultural Leadership Council employees are to be considered employees of the U of M. Approved Senate provisions change the eligibility for national service

scholars grants, change the definition of half-time student status from 8 to 6 credits, and allocate up to \$1.5 million for U of M Internet research and the development of telecommunications networks.

Proposals continue

The House and Senate members of the Higher Education Conference Committee presented the second round of appropriations proposals for the higher education omnibus bill, Wed, Apr. 1, and approved various amendments to the bill.

The Senate proposal brings Senate appropriation totals in line with House appropriation totals of \$73 million. Differences still exist in how the funds are to be distributed.

The Senate proposal allocates a total of \$14.5 million to the Higher Education Services Office (HESO), \$1 million of which provides for a work study appropriation funded by the House at a level of \$1.5 million. The remaining \$13.5 million is used by the Senate to reduce the student aid share of educational costs from 50 percent to 47 percent.

Initial Senate recommendations of \$31.5 million for the MnSCU system increase under the Senate proposal to \$36 million. The proposal includes two \$3 million MnSCU appropriations for the colleges of education curriculum redesign and various library acquisitions. Both items match funding initially provided by the House bill. The Senate conferees' major MnSCU appropriation of \$21.1 million, for equipment upgrades, decreases under the proposal to \$20 million.

U of M appropriations under the Senate proposal total \$36 million, increasing the initial appropriation by \$4 million through additional nonrecurring allocations for classroom improvement and faculty set-up and equipment.

The House proposal makes no changes to the total funding levels for HESO, MnSCU or the U of M. HESO funding remains constant at \$20.1 million. Overall funding targets for MnSCU and the U of M also remain constant from the previous proposal, at \$33.4 million and \$33 million, respectively, but proposed funding changes for individual appropriations are detailed for the first time. The MnSCU appropriation for funding equalization across campuses decreases to \$20 million from \$21.5 million to reach the House targets identified in the first

proposal. The appropriation for various business and industry initiatives also decreases, to \$7.4 million. Unchanged are the two \$3 million appropriations for library acquisitions and colleges of education curriculum redesign.

To reach the identified target of \$33 million for the U of M, the House proposal cuts \$5.5 million from various appropriations, including funding for faculty and staff support, various academic initiatives, classroom improvement plans, and faculty set-up and equipment.

Two amendments to the bill were adopted. The amendments clarify Senate language on MnSCU business and industry partnerships, and clarify House language on the MnSCU colleges of education curriculum redesign.

HHS Conference

Health bill provisions gain

The Health and Human Services Conference Committee met Mon., Mar. 30, and Tues., Mar. 31, to adopt non-funding provisions in the omnibus health and family security supplemental budget bill, S.F. 3346. The committee is chaired by Sen. Don Samuelson (DFL-Brainerd) and Rep. Lee Greenfield (DFL-Mpls.).

The panel adopted several policy provisions dealing with health care and long-term care programs. Among the motions adopted was a House provision regarding breast-feeding in public. The House provision permits mothers to breast-feed in any place where the presence of the mother and child is authorized.

Senate conferees voted against a section of the provision to recommend that medical facilities and clinics put in place voluntary policies that facilitate and encourage breast-feeding, and provide breast-feeding training assistance to its health care staff and mothers. Sen. Sheila Kiscaden (R-Rochester) questioned whether or not this issue should be codified in statute and suggested that it was more appropriately addressed by the medical profession as a training issue. Samuelson said that the long list of recommendations, while not a mandate, may have the opposite effect from the legislative intent by discouraging voluntary compliance. Sen. Linda Berglin (DFL-Mpls.) said, "If the legislation doesn't have any teeth, then why put it into law?"

Conferees also debated sexual abstinence education grant provisions found in both the Senate and House versions of the omnibus bill. The Senate version requires the commissioner of health to expend federal and state funds for an abstinence education program that complies with a state plan submitted to and approved by the federal Department of Health and Human Services. The House version lists the program requirements an abstinence education program must meet to receive state and federal funds. A Department of Health official testified that the House version could endanger programs already in the funding pipeline and matching federal funds. The panel voted to adopt the Senate language.

On Tuesday, the panel discussed and adopted non-funding, technical provisions dealing with MinnesotaCare. They also adopted language concerning a welfare reform provision. The section states that payments for shelter, or rent, up to the amount of Minnesota Family Investment Program-Statewide (MFIP-S) benefits for which the assistance unit is eligible shall be vendor paid, at the option of the county, for as many months as the unit is eligible, or six months, whichever comes first. The residual amount of the grant after vendor payment, if any, must be paid to the MFIP-S caregiver.

Conferees also approved a chemical dependency screening and treatment program, and elements of a Senate compulsive gambling provision that provides appropriations to fund a public awareness campaign.

K-12 Education Conference

Provisions approved

The K-12 Education Conference Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Becky Kelso (DFL-Shakopee), approved several Senate and House provisions for inclusion into the K-12 education bill at a meeting Thurs., Mar. 26.

Members approved an amendment to a House provision that precludes students who do not reside in one of the nine school districts participating in the downtown Minneapolis magnet school from enrolling in the magnet school under the open enrollment program. The amendment, offered by Rep. Len Biernat (DFL-Mpls.), changes the language to state that the downtown Minneapolis

magnet school "must first enroll" students who reside in the nine participating school districts. The provision, as amended, was approved.

Members also approved a Senate provision amending the staff development plan requirements to specify that best practices must be used to improve student achievement of state and local education standards in all areas of the curriculum. There is no comparable provision in the House version. Members also approved several technical amendments relating to the facilities consolidation levy.

K-12 spending targets set

Members of the K-12 Education Conference Committee were informed Fri., Mar. 27, that the committee's spending target is \$111 million for FY 98-99 and \$120,000 for FY 00-01. The spending target, which excludes the cost of eliminating the property tax shift, is about \$18 million below the House bill's spending total, and about \$50 million above that of the Senate.

Members approved provisions that are the same in both the House and Senate bills. One provision requires that for charter schools and other alternative programs in the first year of operation, compensation revenue pupil units must be computed using data for the current fiscal year. If the charter school or contracted alternative program begins operation after October 1, compensatory revenue pupil units must be computed based on pupils enrolled on an alternate date to be determined by the Department of Children, Families, and Learning (CFL), and that the units must be prorated. The other identical provision that was approved requires that when referendum authority approved for a school district before June 1, 1996, expires, the referendum allowance reduction for a district must be decreased by the amount of the decline in the district's total referendum allowance. For districts with more than one referendum authority remaining after the expiration, the amount of any remaining allowance reduction must be reallocated among the remaining referendum authority approved before June 1, 1996.

Rep. Mindy Greiling (DFL-Roseville) offered an amendment to incorporate into the bill a House provision requiring school districts to provide an individualized learning plan for an elementary or

secondary school student who scores three standard deviations above the norm on a standardized intelligence test. The amendment was not approved.

Staff development discussed

At a Mon., Mar. 30, meeting of the the K-12 education conference committee, discussion focussed on differences between House and Senate proposals for funding the staff development component of the Profile of Learning graduation standards

The House version of the K-12 education bill appropriates general education revenue for implementation of the Profiles of Learning graduation standards, and reserves a portion of the appropriation for staff development related to the graduation standards. The Senate version, on the other hand, appropriates no money specifically for staff development, but requires school districts to reserve a percentage of their general education revenue for staff development.

The House version appropriates \$66 per pupil unit for FY 99 to school districts that implement the graduation rule during the 98-99 school year, and \$50 per pupil unit for school districts that delay implementation of the graduation rule. The provision appropriates \$56 per pupil unit for graduation standards implementation in all districts for FY 2000 and later. Out of that appropriation, the provision reserves \$36 per pupil unit for intensive site-based staff development for districts that are implementing the graduation rule during the 98-99 school year, and reserves at least \$20 per pupil unit for staff development for districts that are delaying implementation of the graduation rule.

The Senate version includes a provision that requires a school district to reserve at least three percent in FY 99, four percent in FY 00, and five percent in FY 01 and thereafter of its general education revenue for staff development. House conferees expressed concern that the Senate provision is an unfunded mandate. Committee Co-chair Becky Kelso (DFL-Shakopee) said "Our number one priority is to make the graduation rule work, and we appropriated \$67 million for staff development." Sen. Lawrence Pogemiller (DFL-Mpls.) said he didn't think the House and Senate positions were in opposition. "Let's put in both (provisions)," he said.

Conference update

Members approved an amendment to adopt a House provision to require CFL to award grants to develop, implement, and evaluate discipline programs to prevent suspensions or expulsions and that provide students with an alternative education setting within the school or program site.

Members also reviewed a summary of a report to the State Board of Education by Administrative Law Judge George Beck on the Graduation Standards Profile of Learning. According to the summary, "Judge Beck identified defects with two aspects of this proposed rule: the date of implementation and its application to students in advanced placement programs." Beck recommended that school districts that are not prepared to implement the Graduation Standards this fall be permitted to phase in the timing of the standards. The House version of the bill allows school districts to phase in the graduation standards while the Senate version does not. Beck also recommended waiving the standards requirement for students in advanced placement and international baccalaureate programs.

Senate offers proposal

Senate conferees presented their proposal for resolving outstanding issues to House conferees at a meeting of the K-12 Education Conference Committee, Tues., Mar. 31. Conferees also heard a report from the Department of Children, Families, and Learning (CFL) about damage to school districts in Southern Minnesota as a result of the Mar. 29 tornado.

Committee Co-chair Lawrence Pogemiller (DFL-Mpls.) said the Senate's proposal stays within the spending targets for K-12 education by appropriating \$111 million in the FY 1998-99 biennium and \$86.058 million in the FY 00-01 biennium. He said the Senate proposal adopts several provisions in the House version of the K-12 education bill, including a provision relating to the statewide results-oriented graduation rule. The provision directs the CFL commissioner to develop and disseminate to school districts a uniform form and method for districts to use in measuring and reporting student performance on the Profile of Learning beginning with the 99-00 school year and thereafter. The provision also precludes implementing the federal Goals 2000 as part of the state's high school graduation require-

ments. The Senate proposal also adopts a provision relating to statewide basic skills testing. The provision requires school districts to continue to administer basic skills tests between one and three times per year until the student receives a passing score and thereby fulfills the student's eighth grade testing requirement. The provision clarifies that other test options do not fulfill the state's eighth grade testing requirement. The Senate proposal adopts a House provision directing CFL to designate a staff resource person for gifted and talented programs. The Senate proposed changing a House provision that requires school districts to provide accelerated learning plans and instruction for high-scoring elementary and secondary students, and requires, instead, a written learning plan for each student in grades 1 through 3 to be developed by teachers and parents. The amendment allows school districts to make the final decision about the contents of the plan, but requires them to address accelerated instruction for students who are identified as excelling in math and reading.

The Senate proposal raises the appropriation for state aid to the school lunch program from \$235,000 in the Senate version to the House level of \$516,000, and adopts the House appropriation of \$450,000 for grants to plan and implement lifework learning facilities.

The Senate members offered an amendment incorporating House and Senate language that allows CFL to award grants for capital and start-up costs of residential academies to a public organization or a collaborative of public and private organizations. The Senate also offered an amendment exempting additional school districts from the prohibition against beginning the school year before Labor Day. The exempted school districts include Blackduck, Crookston, Fertile-Beltrami and Fisher, as well as the Faribault Academies. Another Senate amendment raises the appropriation to CFL from \$1 million to \$1.6 million for grants to school districts for the reimbursement of additional construction costs as a result of complying with a change in the prevailing wage law, and adds two school districts, Pillager and Mabel-Canton, to the districts that will be reimbursed.

The Senate members also offered several amendments incorporating

Senate provisions into the K-12 education bill. The amendments require a charter school's enrollment of students eligible for free or reduced-price meals to equal, at a minimum, the statewide average enrollment of students eligible for free or reduced-price meals; and direct CFL to apply directly to the Internal Revenue Service to obtain access to federal income tax information for the purpose of determining school aids. No action was taken on the Senate proposal.

Dan Bryan, CFL, reported that the Mar. 29 tornado in Southern Minnesota had a substantial impact on the school districts of St. Peter, Comfrey, and Le Center. Bryan said the high school in St. Peter and the K-12 school building in Comfrey were damaged to the extent that they cannot be used for the rest of the school year. He said two school buildings in Le Center sustained damage as well. Bryan said that insurance proceeds are expected to cover a much greater proportion of the loss from Sunday's tornado than was the case in last year's flooding.

Tax Conference

Tax rates discussed

The Conference Committee on Taxes met Thurs., Mar. 26, to discuss provisions in the omnibus tax bill, H.F. 3840, dealing with local sales tax rate increases. Sen. Douglas Johnson (DFL-Tower) and Rep. Dee Long (DFL-Mpls.) chaired the meeting.

The meeting began with a discussion of a provision dealing with local sales tax rate increases in House and Senate versions of the omnibus tax bill. Long said bills in the House were amended to reflect a set of criteria to standardize rate increases.

Committee staff reviewed the House standardization criteria. They include a limit on sales tax increases to a half percent rate on the state tax base with a \$20 motor vehicle excise tax; and requirements that there be no other local taxes, that revenues be used for "bricks and mortar" costs only, not operating costs, and that revenues not be used to secure bonds. The House also would limit spending or bonding authorization by requiring that the tax assessment terminate when the local unit has raised funds sufficient to pay the costs of the project. The final House requirement is

that a referendum to impose the tax be held during the next general election.

Long urged conferees to focus their discussion on the soundness of the standardization criteria. Staffers and Senate conferees then reviewed about 11 projects in Greater Minnesota that would require exceptions to the House criteria under Senate provisions. For example, Senate provisions regarding the \$25 million appropriation to fund construction of a convention center in Bemidji would allow a one percent tax rate under Senate provisions versus half a percent under the House criteria, and tax assessments would be used to cover operating costs and secure bonds. Long said that if conferees decide House standardization efforts were useful, then Senate capital projects would have to be amended to reflect the new standards.

Conferees reviewed, along with committee staff, bonding projects and requests for sales tax increases in Coon Rapids (\$11 million for infrastructure costs related to the Riverdale Project), Detroit Lakes (\$6 million, under a House limit, for a community center and other economic development projects), Fergus Falls (\$9 million, under a House limit, for Project Reachout, a convention and community center/recreational project), Hutchinson (\$5 million to construct a civic center and recreational facilities for seniors and youth), Owatonna (\$5 million for facilities and infrastructure for Owatonna Economic Development 2000), Two Harbors (to fund sewer separation, wastewater treatment and harbor refuge development projects), Winona (\$4 million for dredging of Lake Winona), the St. Cloud area (\$25 million, under the House limit, to fund construction of the Central Minnesota Events Center), and Rochester (\$76 million to fund various projects with 25 percent of the total to fund a joint facility with the Rochester Center).

The panel agreed, without reaching a conclusion, to continue discussion of the issue at a later date.

Local sales taxes heard

The Tax Conference Committee met Mon., Mar. 30, to continue the discussion of local option sales taxes. Prior to beginning the discussion, though, members took a few moments to suggest ways of helping Minnesotans in those parts of the state devastated by tornados

Sun., Mar. 29. Rep. Dee Long (DFL-Mpls.) and Sen. Douglas Johnson (DFL-Tower) said that assistance might take the form of accelerating local government aid (LGA) payments, or extending the deadlines for income and property taxes. Panel members agreed that the Legislature must stand ready to help the citizens of Southern Minnesota, but needed to have more information before concrete action could be taken.

Turning to the local sales tax issue, Johnson invited the authors of the various bills included in the omnibus bill, H.F. 3840, to tell the committee about the projects funded by the proposed taxes. The House version of the bill limits all of the proposals to 1/2 of one percent additional tax, prohibits revenue from the additional tax to be used for operating expenses of the various projects and specifies that bonds for the projects may not be secured with the local tax. The Senate version, on the other hand, allows a rate of up to one percent, allows the use of revenues to pay operating costs and does not contain the language specifying that the bonds may not be secured with the local tax.

Rep. Alice Johnson (DFL-Spring Lake Park) said the proposal she sponsored was for infrastructure improvements related to the Riverdale regional economic development project in Coon Rapids. She added that the additional sales tax might not be needed if a tax increment financing (TIF) proposal, also contained in the House version of the bill, is approved. Sen. Dick Day (R-Owatonna) and Rep. Doug Reuter (R-Owatonna), sponsored a proposal increasing the sales tax to be used for the Owatonna Economic Development 2000. Reuter said that the project includes airport and infrastructure improvements. In addition, he said that an air museum is part of the project.

Sen. David Ten Eyck (DFL-East Gull Lake) and Rep. Gail Skare (DFL-Bemidji) explained a proposal for using additional sales tax revenue to help construct a regional convention center in Bemidji. Sen. Cal Larson (R-Fergus Falls) and Rep. Bud Nornes (R-Fergus Falls), explained that the project in Fergus Falls that would be funded by the additional revenue includes a conference center, community center and a recreational and tourism project. Larson said the project is also seeking funding

through the capital budget bill this year. Sen. Steve Dille (R-Dassel) and Rep. Robert "Bob" Ness (R-Dassel) spoke about a project in Hutchinson. According to Dille the project provides funding for the construction and improvement of a civic and community center and recreational facilities to serve seniors and youth. In addition, the Senate version of the bill authorizes the city to impose a tax on on-sales of liquor and food and beverage sales in restaurants. The proceeds from the liquor and restaurant taxes are to be used for the operating costs of the civic and community center.

Sen. Dallas Sams (DFL-Staples) and Rep. Roxann Daggett (R-Frazee) spoke on behalf of a project for Detroit Lakes. According to Sams and Daggett, the proceeds from the local sales tax would be used for construction of a community center and for economic development projects within the city. Rep. Joe Opatz (DFL-St. Cloud) and Sen. Dave Kleis (R-St. Cloud), explained the St. Cloud project authorizes the cities of St. Cloud, Sauk Rapids, Sartell, Waite Park and St. Joseph to impose a local sales tax for the Central Minnesota Events Center. The cities are also authorized to impose liquor and restaurant taxes under the Senate version of the bill.

Sen. Steve Morse (DFL-Dakota) and Rep. Gene Pelowski (DFL-Winona) said that the local sales tax for Winona would be used to dredge Lake Winona. In addition, Morse said, the material from the dredging is to be used for fill for a commercial-industrial development. Rep. Dave Bishop (R-Rochester) and Sen. Sheila Kiscaden (R-Rochester) explained that their proposal is for a variety of projects in the city of Rochester. The proceeds from the local tax are to be used

to fund regional, cultural, recreational or athletic facilities at the Rochester Center. In addition, funds are to be used for transportation infrastructure, the public safety and dispatch system and for construction of a municipal water, sewer and storm sewer project.

Members also discussed a proposal for resolving an issue regarding the property tax treatment of "ma and pa" resorts and larger resorts. Under the proposal 1c property--the small resorts--has a class rate of one percent of total market value if the area of the property does not exceed 100 feet of lakeshore footage for

Conference update

each cabin or campsite located on the property up to a total of 800 feet and 500 feet in depth. Further, if any portion of the 1c resort property is classified as class 4c, the entire property must meet the requirements for 4c property to qualify for 1c treatment. The proposal then spells out the requirements for 4c classification. No action was taken on the proposal.

Members did adopt the language of a proposal relating to senior citizen property tax deferrals. The proposal is, according to staff, designed to streamline the program and make it easier for the department to administer. The proposal retains the current income limit of a \$30,000, spells out the documentation to apply for initial certification, and eliminates the requirement that seniors apply for certification every year. In addition, the proposal eliminates the annual determination of the deferral amount and, instead, provides that an annual property tax amount is set equal to 5 percent of household income as reported on the application. Property taxes that exceed the annual amount are deferred. The proposal also sets penalties, authorizes the department to use available information to verify eligibility, and requires counties to send an annual notice to participants, rather than list the cumulative deferral and interest on the property tax statement. Finally, the measure specifies that if the property tax-forfeits, the deferral is the first claim to be paid from sale proceeds and allows one year for payment if the participant leaves the program or the property is no longer a homestead.

Higher ed credit discussed

The Tues., Mar. 31, meeting of the Tax Conference Committee was centered on discussion of three different issues--assessments on leased lakeshore property, the higher education tax credit and the target amount the panel must work with in formulating their compromise package.

Members, chaired by Rep. Dee Long (DFL-Mpls.), heard from Rep. Lyndon Carlson (DFL-Crystal) on the topic of the higher education tax credit. Under the proposal, which is designed to work in conjunction with the federal Hope credit, a \$500 nonrefundable tax credit is allowed for the first year of college for Minnesota high school graduates who enroll in a Minnesota post-secondary institution within 16 months of graduat-

ing from high school. Carlson said that the \$500 credit added to the \$1,500 federal credit allows Minnesota students a 13th year of education. He added that the cost of attending one of the community colleges averages about \$2,000. The proposal specifies that a student is eligible if they are a Minnesota resident, graduate from high school or receive their GED in 1998 or later, and enroll for at least 12 credits in a higher education institution. Carlson said that funding for the program, about \$7 million, was deducted from the omnibus higher education supplemental bill target and transferred to the omnibus tax bill's target. He said an estimated 15,000 students would participate in the program.

Sen. Douglas Johnson (DFL-Tower), while supportive of the proposal, expressed some concern about the 16 month window for eligible students to enroll in a higher education institution. Johnson said that during his career as a high school counselor, he found that students who began post-secondary education right after graduation had better prospects of completing their higher education than students who postponed their post-secondary enrollment. However, Long said that there are often reasons beyond the students' control that necessitate a delayed entry into post-secondary education.

Members also conducted a thorough discussion of a provision contained in the House version of the omnibus bill dealing with leased lakeshore property. Johnson questioned several witnesses about the sharply increased assessments they had experience on property leased from the state. Rep. Tom Rukavina (DFL-Virginia) explained that many individuals who leased the lots, many of which had been originally leased in the 1950s, wanted the opportunity to buy the lots at auction. Johnson and Rukavina said that lessees were paying sharply higher taxes than their neighbors who owned their lots outright. Rukavina said that at the very least, the value of the leased lots had been inflated in recent years. Dept. of Natural Resources Deputy Commissioner Ron Nargang said that the DNR was working with the individual lessees who were appealing their assessments and that 61 out of 91 appeals had received a reduced assessment. Johnson argued that the large percentage of individuals who were appealing successfully indicated that

the appraisals are too high.

The provision in the House version of the omnibus bill provides that a lessee holding a state lakeshore lease may request that the leased land be sold at public sale. Rukavina said that the provision allows lessees the opportunity to purchase the lots and have their costs be more in line with their neighbors.

Finally, members had a wide ranging discussion about the targets set for the conference committee. Long and Johnson both expressed frustration at the limited dollars available for various sales and income tax provisions in the omnibus bill once property tax relief issues have been addressed.

Discussions continue

Tax Conference Committee members continued their discussions about various provisions of H.F. 3840, the omnibus tax bill, at a hearing Weds., Apr. 1. The panel, chaired by Sen. Douglas Johnson (DFL-Tower) also adopted several non-controversial provisions for inclusion in the compromise package.

The committee adopted an amendment prescribing the criteria for seasonal recreational residential for commercial purposes. Under the amendment, in order for a property to be classified as class 4c, seasonal recreational residential for commercial purposes, at least 40 percent of the annual gross lodging receipts related to the property must be from business conducted during 90 consecutive days and either at least 60 percent of all paid bookings by lodging guest during the year must be for periods of at least two consecutive nights or at least 20 percent of the annual gross receipts must be from charges for recreational services such as boat rental and ski equipment rental. Further, the amendment specifies that a paid booking of five or more nights must be counted as two bookings.

Members also adopted provisions relating to property taxes that are not part of the discussion on property tax reform. One provision, from the House version of the bill, specifies that student cooperative, sorority or fraternity housing will be given the same class rate as residential non-homestead less than \$75,000. Members also adopted a House provision requiring the commissioners of human services and revenue, with consultations from representatives of

county governments to make reports with recommendations on family preservation aid and the formula for distributing family preservation aid. Finally, members adopted a provision clarifying the taxation of private golf courses. The provision eliminates the geographic restrictions for special treatment and forbids courses from requiring motorized carts in order to qualify for preferential treatment.

Members also held a wide-ranging discussion on the inadequacy of the targets set for the committee. Rep. Dee Long (DFL-Mpls.) and Johnson both said that more money was needed to fund the sales and income tax relief provisions in the bill. Long presented a “wish list” of provisions House members thought could be funded under the targets set for the panel. Long said that computations

began with \$28 million, deducted \$6.9 million for the higher education tax credit discussed the previous day, and arrived at a figure of \$21.1 million with which to fund numerous items of sales and income tax relief. The list presented by Long did not include provisions relating to border cities, flood relief and charitable gambling. Both Johnson and Long said that at least an additional \$40 million is needed to fund the major sales and income tax relief items in both the House and Senate bills.

The committee also heard a comparison of the administrations plan to compress property tax rates in one year versus the legislative compromise plan to compress the rates over two years. According to staff the administration’s proposal does not take into account the one year delay in fiscal disparities

payments which decreases the reduction in rates for residential homestead and increases the reduction in rates for commercial-industrial property. Under the legislative proposal, taking fiscal disparities into account, the rates for low value residential homesteads would be reduced by 4.8 percent, for medium value residential homesteads by 4.7 percent and for high value homesteads by 1.9 percent. Representatives from the Dept. of Revenue said that another proposal is forthcoming.

Rep. Dan McElroy (R-Burnsville) said that the governor feels strongly that the first priority should be to return the surplus to taxpayers. However, Johnson said that the number one priority for the committee is to provide permanent property tax relief and reform. Members are slated to continue their discussions.

Floor action

Monday, March 30

Bills granted concurrence and repassage

S.F. 1480-Cohen: Fixes the conditions for the disclosure of certain information subject to the Minnesota Free Flow of Information Act (shield law provisions). 64-0

Bills granted final passage on Special Orders

H.F. 2673-Stumpf: Increases compensation for state employees on leave to serve as certified disaster service volunteers of the American Red Cross. 46-17

H.F. 2970-Morse: Omnibus pension bill. 64-0

Conference committee reports adopted and repassed

S.F. 2192-Frederickson: Clarifies requirements for corporations created by political subdivisions and authorizes the ratification of a nonprofit corporation by Brown County. 64-0

Tuesday, March 31

Bills granted final passage on Special Orders

H.F. 3830-Kelly, R.C.: Provides for payment of claims against the state and authorizes reimbursement of certain costs and fees. 61-2

Conference committee reports adopted and repassed

S.F. 2274-Solon: Omnibus liquor bill. 52-0

Wednesday, April 1

Conference committee reports adopted and repassed

H.F. 3145-Novak: Providing for review of allocations and compliance monitoring by the Minnesota Housing Finance Agency. 50-0

S.F. 2532-Piper: Omnibus family and early childhood education supplemental appropriations bill. 49-16

S.F. 3354-Price: Omnibus state government supplemental appropriations bill. 54-9

S.F. 3345-Kelly, R.C.: Omnibus crime prevention and judiciary supplemental appropriations bill. 64-1

Thursday, April 2

Conference committee reports adopted and repassed

S.F. 3298-Johnson, J.B.: Omnibus transportation supplemental appropriations bill. 57-1

S.F. 1378-Betzold: Omnibus data privacy bill. Provides for the classification of data. 60-0

S.F. 2751-Anderson: Requires employers to provide unpaid breaks and to make reasonable accommodations to nursing mothers. 49-1

S.F. 2118-Higgins: Authorizes experimental balloting procedures in Minneapolis. 42-21

H.F. 2736-Lourey: Authorizes gift to certain food distribution organizations. 64-1

1998 Chapters and Resolutions

Number	Senate File	Senate Author	House File	House Author	Description	Signature date
252	2111	Samuelson	2492	Anderson, I.	Fish house restrictions and license periods modifications	2/12/98
253	663	Higgins	661*	Biernat	Landlord and tenant law recodifications and clarifications.	2/18/98
254	2134	Betzold	2524*	Chaudhary	Revisor's bill.	2/18/98
255	1440*	Ranum	1554	Dawkins	Uniform certification of questions of law act adopted.	2/19/98
256	2017	Moe, R.D.	2372*	Lieder	Norman County Medical Center bid exemption	2/25/98
257	2261	Sams	2550*	Otremba	Rural hospital flexibility program.	2/25/98
258	2167	Metzen	2338*	Folliard	Gulf War veterans' bonus modification.	2/25/98
259	2156	Higgins	2499*	Stanek	Hennepin County Board small purchase limit increase.	2/27/98
260	2478*	Samuelson	2890	Tunheim	Savings association act maintained.	2/27/98
261	2345	Morse	2828*	Tingelstad	Commissioner of health public water supply approval authority modified.	3/4/98
262	2031*	Betzold	2390	Pugh	Real property conveyance provisions modified.	3/4/98
263	2028*	Sams	2576	Juhnke	Emergency vehicle signal operation modification	3/4/98
264	2379*	Metzen			Local government unit aid distribution clarification in township annexation.	3/4/98
265	2621*	Scheevel	2646	Jefferson	Reemployment insurance technical changes.	3/4/98
266	2122	Metzen	2590*	Jennings	Tenant security deposit interest rate increase.	3/4/98
Res. 5	2055	Pogemiller	2417*	Jaros	Congress memorialized to support the admission of Poland, Czech Republic and Republic of Hungary to NATO.	Filed without signature
267	2170*	Lessard	2425	Anderson, I.	Watercraft trailers and ATVs exempt from motor vehicle sales on Sunday prohibition.	3/5/98
268	2525*	Wiger	2927	McCollum	Ramsey County purchases from health care cooperatives.	3/5/98
269	2685*	Vickerman	3119	Olson, E.	Public officers contract interest authority clarification	3/5/98
270	2315*	Robertson	2811	Kahn	Director of Office of Technology membership to various organizations clarification.	3/5/98
271	2354*	Kiscaden	3734	Mares	Public employees insurance program expansion	3/6/98
272	2688	Terwilliger	3095*	Rhodes	Chaplain Sunday designation	3/6/98
273	2477*	Stumpf	2866	Kinkel	Dept. of Children, Families and Learning and Dept. of Economic Security reorganization codified.	3/9/98
274	2355	Lourey	3040*	Lourey	Long-term nursing care facility payroll documentation procedures modified.	3/16/98

275	2280	Higgins	2642*	Jefferson	Standard collection procedure exemption provided to overpaid reemployment insurance benefits.	3/16/98
276	2791	Wiener	2809*	McElroy	Audited financial statement copies provided to members of the local unit of government.	3/16/98
277	2255	Metzen	2616*	McElroy	Dakota County dangerous dog registration system city administration provided.	3/16/98
278	2849	Ourada	3071*	Wolf	Petroleum product specifications modified.	3/16/98
279	2457*	Flynn	3593	Larsen	Rural finance authority and housing finance electronic meetings authority permanency.	3/16/98
280	2047*	Novak	3148	Kubly	Manufactured home park owners limited dealers licenses.	3/16/98
281	1151*	Piper	1414	Leighton	Guardians and conservators appointment provisions modifications.	3/16/98
282	2402*	Stevens	2696	Munger	Merchandise pallets unauthorized possession or damage prohibitions.	3/16/98
283	2729*	Spear	3296	Long	Bicycle racks and storage facilities advertisements, public art and informational signs placement and maintenance authority.	3/16/98
284	2669*	Hottinger	2992	Greenfield	Day training and rehabilitation services business arrangements use and rate variance mechanism flexibility.	3/16/98
285	2163*	Knutson	3028	Pawlenty	Motor vehicle dealers licensing requirements exemption for charitable organizations.	3/18/98
286	2516*	Stevens	2777	Jefferson	Dept. of Employee Relations experimental or research projects authority expansion.	3/18/98
287	2245	Johnson, D.J.	2846*	Mahon	Automobile insurance premium reduction provided for completion of an accident prevention course.	Vetoed
288	668	Kiscaden	668*	Seagren	Industrial hygienist and safety professional title protection act adopted.	3/18/98
289	2677	Wiener	2601*	Mullery	Building and construction contract lien and claim waivers and subcontractor payments regulated.	3/18/98
290	2335	Johnson, J.B.	2612*	Jennings	Trunk highway #95 designated as state trooper Timothy Bowe Memorial Highway.	3/18/98
Res. 6	2786	Pappas	3250*	Garcia	President and Congress memorialized to enact the aircraft repair station safety act of 1997.	Filed without signature
291	2230*	Wiener	2779	Chaudhary	Elderly housing definition modification for discrimination prohibition exemption purposes.	3/18/98
292	2574*	Ten Eyck	2635	Skare	Headwaters regional development commission non-profit housing corporation establishment authority.	3/18/98
Res. 7	2699*	Lourey	3258	Greenfield	Resolution to remove Medicaid policy barriers to employment for people with disabilities.	Filed without signature
293	2608*	Wiener	3065	Dorn	Health insurance basic medicare supplement plans coverage for diabetes equipment.	3/18/98
294	3068*	Runbeck	3532	Betterman	Workers' compensation benefits special compensation fund reimbursement requirement elimination.	3/18/98
295	2540	Oliver	2500*	Rest	Customer loss or theft of a debit card limited liability provided.	3/18/98

296	1973	Johnson, D.E.	2222*	Juhnke	Cartways established by town boards upon owner petition.	Filed without signature
297	2293	Solon	2895*	Tomassoni	Township mutual insurance companies permitted investments expanded.	3/18/98
298	2945*	Stumpf	3442	Wenzel	Interstate emergency management assistance compact.	3/18/98
299	2266*	Belanger	2523	Johnson, A.	Gasoline and special fuels tax provisions recodification and clarification.	3/18/98
300	2570*	Belanger	2659	Olson, E.	Tax provisions technical corrections and and administrative changes.	3/18/98
301	1076*	Sams	1306	Hausman	Health plan coverage for off label use of drugs.	3/18/98
302	2384*	Johnson, J.B.	2790	Jennings	Chisago county recorder appointment; Rush City easements.	3/18/98
303	1583*	Hottinger	2043	Greiling	State agencies regulatory rules and program policy and obsolete, unnecessary or duplicative rules regulation.	3/18/98
304	2041*	Johnson, D.J.	2294	Long	Property tax rebate for tax pre-payments.	3/18/98
305	2372*	Lourey	2681	Slawik	Hepatitis B immunization required for children.	3/23/98
306	3016*	Johnson, D.J.	3524	Bakk	Qualified landfills authorized to accept materials from closed dumps.	3/23/98
307	2581*	Kiscaden	2508	Bishop	Olmstead county auditor/treasurer made an appointed position.	3/23/98
308	2281*	Pariseau	2824	Pugh	Dakota county housing and redevelopment authority employees not deemed county employees without county board consent.	3/23/98
309	2378*	Junge	2641	Rest	Corporate professional and professional services definitions expanded.	3/23/98
310	2316*	Murphy	2665	Juhnke	Intrastate hazardous material carriers provided continuation of the uniform registration and permitting program.	3/23/98
311	1654*	Ten Eyk	1882	Murphy	Real estate document filing and recording fees modified.	Vetoed
312	2269*	Stumpf	2686	Munger	Board of water and soil resources hearing and review provisions modified.	3/23/98
313	2373*	Betzold	2785	Entenza	Civil commitment release on provisions modified.	3/23/98
314	2725*	Betzold	3254	Kahn	County recorder and registrar functions provided additional methods.	3/23/98
315	2344	Oliver	2315*	Leppik	Trademarks and service marks regulated.	3/23/98
316	2207*	Hottinger	2401	Huntley	Federal drug enforcement administration registration number requirement exemption provided.	3/23/98
317	2447*	Sams	2786	Wejcman	Speech-language pathologist, unlicensed mental health practitioner, alcohol and drug counselor, physical therapists, and hearing instrument dispenser licensure requirements modified.	3/23/98
318	2381	Krentz	2489*	Holsten	Ramsey and Washington counties state trail extended.	3/23/98
319	3032*	Wiener	3355	Rest	Investments of insurers act adopted.	3/23/98
320	3036*	Betzold	2507	Macklin	Limited partnership withdrawals regulated.	3/23/98

321	2068*	Kelly, S.P.	2706	Kahn	Electronic message reliability and certification authorities required.	3/23/98
322	2911*	Vickerman	2920	Delmont	Lawful gambling revisions.	3/23/98
323	2262*	Novak	2750	Wenzel	Reinsurance intermediary brokers funds investment authority regulation.	3/23/98
324	1814*	Scheid	1116	Sekhon	Board provisions modifications.	3/23/98
325	2429*	Wiener	2667	Rest	Local government services advisory council membership increase and appointment process clarification.	3/23/98
326	3170	Moe	3644*	Sviggum	Combined school districts extended area telephone service voting requirements modification.	3/23/98
327	2136	Wiener	2309*	Leppik	Financial institutions consumer credit issuance and reporting equal treatment of spouses.	3/23/98
328	2659*	Wiener	3432	Wenzel	Life insurance company investments and transactions regulations modified.	3/23/98
329	2861*	Hottinger	3138	Evans	Emergency medical care automatic external defibrillators use liability immunity.	3/23/98
330	695*	Berglin	381	Greenfield	Nonprofit health care trust agreements or transactions regulation.	Vetoed
331	908*	Oliver	3748	Anderson, I.	Trust companies regulation provisions modification.	3/25/98
332	2252*	Wiener	2615	Pugh	DWI repeat offenders sentencing to intensive supervision and incarceration.	3/25/98
333	154*	Frederickson	176	Harder	Food donors liability limit.	3/25/98
334	2130	Foley	2814*	Tomassoni	Health plan companies durable medical equipment coverage requirement.	3/25/98
335	2550*	Fischbach	2016	Haas	Financial institutions mail loan solicitations regulation.	3/25/98
336	330*	Spear	1207	Paymar	Nonprofit corrections treatment facilities liability limit.	3/25/98
337	2493*	Junge	3389	McGuire	Financial institutions liability immunity for stolen or fraudulent checks information release to criminal alert networks or law enforcement agencies.	3/25/98
338	2040*	Foley	2861	Entenza	Child and medical support enforcement administrative process modification.	3/31/98
339	2267*	Novak	2625	Tomassoni	Workers comp self insurance regulation provisions modification.	3/31/98
340	2014	Oliver	2308*	Slawik	Accountant licensing provisions modified.	3/31/98
341	2296	Morse	3297*	Long	Statute of limitations provided for filing of actions under MERLA	3/21/98
342	76	Morse	113*	Munger	Extension of state lotter proceed dedication to environment and natural resources trust fund constitutional amendment.	3/31/98
343	2966*	Scheid	2983	Tunheim	MN Residential Mortgage Originator and Servicer Licensing Act.	3/31/98
344	2489*	Solon	2971	Entenza	Residential mortgage loans regulated and table funding requirements established.	3/31/98
345	2797	Novak	3042*	Jennings	Long-distance telephone provider slamming and loading disclosure requirements expanded.	3/31/98

346	2149*	Scheid	2387	Folliard	Voter record address change updates.
347	2221*	Wiger	2567	McCollum	Ramsey County open absentee ballot system pilot program extension.
348	2445*	Novak	3324	Ozment	One call excavation notice system modification.
349	2302*	Scheevel	2774	Kuisle	County optional forms of government adoption referendum procedure clarification
350	2847	Ourada	3070*	Wolf	Decorative gas lamp prohibition variance provided.
351	2520	Flynn	3068*	Solberg	Public employee labor agreements ratified.
352	2148*	Scheid	2526	Osthoff	Absentee voting eligibility expansion.
353	3397*	Spear	3841	Entenza	Air carriers agreements franchise law retroactive exemption application exclusions.
Res. 8	3406	Stumpf	3854*	Anderson, I.	U.S. memorialized to resolve differences between Province of Ontario and the State of Minnesota regarding Canadian waters and the taking of fish.

Conference Committees

H.F. 3843-Omnibus capital budget bill

Members:

Langseth	Kalis
Berglin	Solberg
Cohen	Trimble
Laidig	Clark, K.
Janezich	Bishop

S.F. 3395-Omnibus crime prevention supplemental budget bill

Members:

Kelly, R.C.	Murphy
Spear	Skoglund
Ranum	Pugh
Neuville	Entenza
Knutson	Larsen

House repassed 4/01/98; Senate repassed 4/01/98

S.F. 3367-Omnibus economic development supplemental budget bill

Members:

Beckman	Jaros
Novak	Trimble
Johnson, D.H.	Clark, K.
Anderson	Kubly
Oliver	Gunther

S.F. 3353-Omnibus environment and agriculture supplemental budget bill

Members:

Morse	Osthoff
Sams	Munger
Lessard	McCullum
Lourey	Peterson
Dille	Holsten

S.F. 2532-Omnibus family and early childhood education supplemental budget bill

Members:

Piper	Kinkel
Marty	McGuire
Foley	Delmont
Terwilliger	Slawik
Lesewski	Sykora

House repassed 4/01/98; Senate repassed 4/01/98

S.F. 3346-Omnibus health and family security supplemental budget bill

Members:

Samuelson	Greenfield
Betzold	Wejcman
Berglin	Winter
Stevens	Bradley
Kiscaden	Goodno

S.F. 3297-Omnibus higher education supplemental budget bill

Members:

Stumpf	Pelowski
Solon	Carlson
Larson	Opatz
Wiener	Leppik
Kleis	Bettermann

H.F. 2874-Omnibus K-12 education supplemental budget bill

Members:

Pogermiller	Kelso
Krentz	Greiling
Robertson	Biernat
Pappas	Leighton
Scheevel	Dempsey

S.F. 3354-Omnibus state government supplemental budget bill

Members:

Price	Rukavina
Metzen	Hilty
Frederickson	Mares
Betzold	Kahn
Fischbach	Osskopp

House repassed 4/01/98; Senate repassed 4/01/98

H.F. 3840-Omnibus tax bill

Members:

Johnson, D.J.	Long
Flynn	Winter
Hottinger	Olson
Vickerman	Dawkins
Belanger	McElroy

S.F. 3298-Omnibus transportation supplemental budget bill

Members:

Johnson, J.B.	Lieder
Flynn	Wagenius
Hanson	Marko
Ourada	Molnau
Robling	Kuisle

House repassed 4/02/98; Senate repassed 4/02/98

Other Conference Committees

S.F. 41-Constitutional amendment to confirm hunting and fishing rights.

Members:

Lessard
Sams
Novak
Pariseau
Stevens

S.F. 535-Metropolitan council service redesign and pilot project established to improve council efficiency.

Members:

Wiger	McElroy
Betzold	Evans
Pariseau	McCollum

S.F. 726-State government procurement process

Members:

Knutson	Kahn
Metzen	Jefferson
Wiener	Krinkie

S.F. 1169-Increases restrictions on personel watercraft

Members:

Stumpf
Johnson, J.B.
Johnson, D.E.
Larson
Sams

S.F. 1378-Omnibus data privacy provisions

Members:

Betzold	McGuire
Knutson	Macklin
Wiener	Skoglund

House repassed 4/02/98; Senate repassed 4/02/98

S.F. 2118-Authorizes experimental balloting in Hennepin County

Members:

Higgins	Jefferson
Scheid	Mullery
Robertson	Leppik

House repassed 4/02/98; Senate repassed 4/02/98

S.F. 2119-Municipalities contract bid specifications, design and construction standards.

Members:

Johnson, J.B.	Jennings
Wiger	Wolf
Johnson D.E.	Hausman

House repassed; Senate repassed 3/26/98

S.F. 2192-Political subdivisions corporations

Members:

Frederickson	Harder
Vickerman	Rest
Kelley, S.P.	Erhardt

House repassed 3/31/98; Senate repassed 3/30/98

S.F. 2256-Eliminates elections provisions that have been ruled unconstitutional

Members:

Marty	Greiling
Scheid	Skoglund
Ourada	Abrams

S.F. 2274-Omnibus liquor bill

Members:

Solon	Tunheim
Metzen	Juhnke
Belanger	Seifert

House repassed 4/01/98; Senate repassed 3/31/98

S.F. 2276-Child support enforcement modifications

Members:

Knutson	Dawkins
Cohen	Leighton
Foley	Biernat
Kiscaden	Larsen
Ten Eyck	Bishop

S.F. 2351-State park additions and deletions

Members:

Vickerman	Kalis
Stumpf	Osthoff
Pariseau	Sekhon

S.F. 2407-Graduated youth drivers' licenses

Members:

Junge Chaudhary
Scheevel Stanek
Sams Juhnke

S.F. 2445-Excavation notice system provisions

Members:

Novak Ozment
Ourada Jennings
Johnson D.H. Kahn
House repassed 3/24/98; Senate repassed 3/23/98

S.F. 2586-Sex offender provisions modifications

Members:

Kelly, R.C. Bishop
Morse Skoglund
Limmer Pugh

S.F. 2645-Affirmative action plan requirements modification

Members:

Wiger Dawkins
Robling Jefferson
Kelley, S.P. Stanek

S.F. 2718-Telephone assistance program changes

Members:

Kelley, S.P. Clark, K.
Novak Jennings
Frederickson Mares

S.F. 2730-Dept. of Administration provisions

Members:

Robertson Hilty
Price Kahn
Betzold Larsen
House repassed 3/26/98; Senate repassed 3/26/98

S.F. 2751-Accommodation for nursing mothers

Members:

Anderson Greiling
Krentz Farrell
Robling Tingelstad
House repassed 4/02/98; Senate repassed 4/02/98

H.F. 2708-Agricultural marketing and dispute resolution

Members:

Frederickson Juhnke
Beckman Johnson, R.
Vickerman Swenson, H.

H.F. 2722-Underground petroleum storage tank violations penalties

Members:

Novak McCollum
Dille Wagenius
Lessard Kraus

H.F. 2736-Authorizes counties to provide grants to community food shelves

Members:

Lourey Hilty
Vickerman Mariani
Robling Kuisle
House repassed; Senate repassed 4/02/96

H.F. 3145-Compliance monitoring by the MN Housing Finance Agency

Members:

Novak Rest
Pogemiller Abrams
Frederickson Sykora
House repassed 3/31/98; Senate repassed 4/01/98

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Photo by Donna Kelly.



April 15, 1998

Senate Highlights

Tax bill approved

The first portion of the session's final floor session Thurs., Apr. 9, was devoted to considering several legislative measures including the conference committee report for H.F. 3840, the omnibus tax bill.

Sen. Douglas Johnson (DFL-Tower), sponsor of H.F. 3840, made a motion that the Senate concur with the conference committee report. He said the bill offers \$1.5 billion in tax relief over three years and offers something for businesses, homeowners and renters. Johnson added that the bill is a balanced compromise and does not contain everything that anyone wants.

Johnson said the bill makes progress in the area of the state's role in K-12 education by removing much of the reliance on local property taxes. He said that under the bill 68 percent of school costs will be paid by the state to remove reliance on property taxes. He added that the bill also eliminates sales taxes on farming and logging equipment.

Johnson said the bill sets aside \$500 million for property tax relief, provides for \$400 million in permanent property tax reform and dedicates the first \$200 million in any future surplus to further

tax cuts. He added that the next \$400 million in future surpluses are earmarked for cash payment of construction projects.

Johnson said other provisions in the bill authorize several cities to impose one half cent sales taxes for specific projects; conform to federal tax laws including provisions relating to Roth and education IRAs; increase the working family tax credit for people making the transition from welfare to work; and reduce taxes on charitable gambling operations.

Sen. Linda Runbeck (R-Circle Pines) said she would be voting against the bill because the measure does not contain a single income tax cut. Runbeck added that she thinks the entire surplus should be returned to Minnesota taxpayers. Sen. Dick Day (R-Owatonna) told colleagues that he was going to support the bill, although not totally pleased by its contents, because it includes returning \$1 billion of the state surplus to taxpayers. "Our caucus made this a priority from day one," he said. Day added that this year's tax bill is a good beginning, but he hopes the 1999 tax bill will provide more permanent tax relief.

Sen. Edward Oliver (R-Deephaven) questioned why the bill could not have contained even a slight income tax cut,

but said that would be something to discuss during the next legislative session. Sen. William Belanger (R-Bloomington) echoed Oliver's concerns regarding the lack of an income tax cut in the bill. He said if the state budget surplus projections hold up, the Legislature can start on that next year.

Majority leader Sen. Roger Moe (DFL-Erskine) concluded debate on the conference committee report by saying that during the 80th Legislative session, lawmakers have provided \$2.3 billion in tax relief totaling 50 cents of every dollar in the projected budget surplus. "The legislature has done a good job of balancing the needs of the state with the serious commitment to give money back to the taxpayers," Moe said. The conference committee report was adopted by a vote of 66-1

Tornado relief bills approved

A bill providing \$27.6 million in disaster-relief assistance to Southern Minnesota counties that suffered tornado damage Mar. 29 was granted final passage by the Senate at the Tues., Apr. 7, session.

The bill's chief sponsor, Sen. John Hottinger (DFL-Mankato) said that while property insurance and federal reimbursement will pay the majority of the cost to repair and replace property that was damaged or destroyed by the tornadoes, the \$27.6 million disaster-relief bill will "fill in the gaps" that insurance and FEMA do not cover. Hottinger described to members the horrific damage inflicted on towns and farms by tornadoes that swept through Southern Minnesota in one afternoon. Cutting through a 100-mile area, the tornadoes caused an estimated \$200 million in damage and destroyed almost 250 farms, he said. Hottinger called the relief package a prompt and generous response to the crisis.

The bill, H.F. 3862, appropriates \$8 million to the Department of Public Safety as a state and local match for federal emergency assistance. The \$8 million funds 100 percent of the state and local match obligations projected to be incurred through the receipt of federal public assistance to individuals for reported damages. The Dept. of Public Safety also receives \$300,000 to cover increased services by the department's division of emergency management in response to the tornado disaster.

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The bill appropriates \$4 million to the Housing Finance Agency for the community rehabilitation fund program and for the rehabilitation of existing rental housing. The Department of Trade and Economic Development receives over \$5 million for loans to businesses and farms that were directly and adversely affected by the tornadoes, as well as to assist with the cost to repair and replace publicly owned buildings and public infrastructure. The bill provides \$4 million for Department of Agriculture loans to farmers for repairs to farm buildings and working capital operating loans, and \$500,000 to the Department of Revenue to provide reimbursement for abatements granted for taxes payable in 1998 to properties damaged in the tornadoes. The Department of Human Services receives \$400,000 for grants to counties and nonprofit social service agencies to provide social services and farm advocacy outreach. The bill also provides \$250,000 to the Dept. of Children, Families, and Learning (CFL) for grants for after-school and expanded day care services, \$1 million to the Minnesota Historical Society for historic preservation loans or grants, and \$5 million to the Dept. of Finance to cover unanticipated needs of the disaster victims.

Hottinger moved to amend H.F. 3862 to bring the bill in line with the recommendations of the administration and incorporate improvements that had been made by the House. The motion prevailed and the amendment was adopted.

Sen. Jim Vickerman (DFL-Tracy) moved to amend the bill to provide grants for counties to give farmers in order to pay for the burial and removal of debris from rural residences and farms that is the result of tornado damage. The grants cover only the costs of debris removal and burial not covered by private insurance or federal reimbursement. The amendment also transfers \$500,000 from the Dept. of Finance appropriation for unanticipated needs to the Dept. of Public Safety appropriation in order to cover the debris removal costs. Vickerman said, "This amount will certainly not cover all those costs but it will make a dent in this huge problem."

Sen. Dean Johnson (R-Willmar) said Vickerman's amendment is a good idea because insurance does not provide for debris burial or removal. He asked Vickerman why the amendment gives the

money to the counties who then distribute it to farmers, rather than give it directly to farmers. Johnson said, "It seems to me it would be more practical to give it directly to the farmer as opposed to the counties for debris clean-up." Vickerman responded that he had wanted the funds to go directly to farmers but the governor considered it more appropriate for the counties to distribute the funds. He said the governor had wanted to appropriate just \$250,000 for debris clean-up. The compromise that was reached was to appropriate \$500,000 clean-up and give the aid to counties to distribute. Vickerman's motion prevailed and the amendment was adopted.

H.F. 3862 was approved 66-0 on a roll-call vote.

A bill, H.F. 3853, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), providing \$8.5 million in emergency financial relief for farm families in twelve counties that were designated "crisis counties" between 1993 and 1997 was also considered. The funds reimburse an eligible farmer in a crisis county for federal crop insurance on wheat and barley grown in a crisis county during the 1997 growing season. Stumpf said the bill "attempts to deal with a relatively silent disaster in the Red River Valley, where the weather has been extremely uncooperative in trying to raise grain." He said the repeated occurrence of scab disease on wheat and barley, together with bad weather, has dramatically reduced crop yields in the region. In addition, "farmers have been left with virtually no safety net as a result of recent rewriting of the federal agricultural law," he said.

Stumpf moved to amend the bill by deleting a provision requiring that security interests covering crops growing or to be grown that are to be filed with the county recorder be filed under the Uniform Commercial Code (UCC) division of the recorder's office. Stumpf said the provision was originally contained in a bill sponsored by Vickerman, but the bill had died in the House and so its provision was added to Stumpf's farm relief bill in the Committee on Rules and Administration. Sen. Don Betzold (DFL-Fridley) supported the amendment on the grounds that the Vickerman provision was unrelated to the rest of the bill and that the bill should not be loaded up with "pet amendments."

Vickerman defended the provision, saying that it already passed the Senate in a separate bill and is supported by every farmers' organization in the state except one. Sen. Steve Dille (R-Dassel) said he also feels the provision should stay in the bill because it's going to make it easier for farmers to get loans. He urged members to vote against the motion to delete the provision. Betzold said the provision was put in the bill because it was not being heard in the House. "If you vote against the Stumpf amendment it will kill the bill by forcing it to go to conference committee. We want a clean bill," he said. The Stumpf amendment was approved on a 33-31 roll call vote.

Vickerman then moved to amend the bill by deleting a mediation provision increasing the use of alternative dispute resolution in rural areas. Vickerman said the extension of farmer mediation was, like the Uniform Commercial Code, added in the Committee on Rules and Administration. "If one is inappropriate, then so is the other," he said. "I think it's only fair if we are not allowed the UCC provision to remove the mediation." The amendment was approved 35-23 on a roll call vote.

Sen. Arelene Lesewski (R-Marshall) moved to amend the bill to add Lincoln, Lyon and Pipestone Counties to the list of crisis counties qualifying for farm relief aid and increase the appropriation to the Dept. of Agriculture from \$8.5 million to \$8.8 million to cover the extra expenditures. She said farms in the three counties were devastated by winter ice storms, heavy spring rains and a severe hail storm last year, and that the amendment allows farms to recover the damage to wheat and barley crops. The motion prevailed 32-16 and the amendment was adopted.

The bill, as amended, was passed 59-0 on a roll-call vote.

Subscription renewal

The last page of this issue of *Briefly* contains a subscription renewal form for next year's *Briefly*. Postal regulations require that the Senate Publications Office have proof of a subscriber's request to be on the mailing list. Therefore, some libraries and news organizations that have automatically remained on the subscription list from year to year will be dropped, unless a renewal form is returned. The deadline for renewal is May 15, 1998.

Committee update

Health and Family Security

EMS candidates approved

The Health and Family Security Committee met Tues., Apr. 7, in a ten-minute session to discuss appointments to the Emergency Medical Services Regulatory Board. Sen. Becky Lourey (DFL-Kerrick) chaired the meeting.

After briefly reviewing confirmation materials and resumes, Sen. Leo Foley (DFL-Anoka) and Sen. Don Betzold (DFL-Fridley) moved to recommend that the full Senate confirm the appointment of Mary Jo Swanson and re-appointments of DeeWayne Rognstad, and Gary Wingrove. The committee then sent the recommendations to the full Senate.

Human Resources Finance

Tornado relief approved

The Human Resources Finance Committee, chaired by Sen. Linda Berglin (DFL-Mpls.), met Fri., Apr. 3, and approved \$27.6 million in disaster relief to local governments and individuals for costs related to tornado damage that occurred in Watonwan, Nicollet, LeSueur, Blue Earth, and Brown Counties on Mar. 29, 1998.

Sen. John Hottinger (DFL-Mankato), sponsor of S.F. 3411, said the residents of the southern counties have seen devastating property losses and need state assistance. Hottinger said that two citizens died in the storm and it was a miracle more lives were not lost.

David Gruenes, commissioner of the Dept. of Commerce, provided committee members with an outline of the provisions in S.F. 3411. Gruenes said the bill is designed to give the state the greatest possible flexibility to supplement federal disaster aid and private insurance payments. He also told committee members that there is a possibility that Cottonwood County would be added to the list of counties that can receive aid under the bill.

Gruenes said the bill provides \$8.3 million for the Dept. of Public Safety including \$8 million for the state and local match of public assistance disaster funds and \$300,000 to increase by four the full-time staff for the division of emergency management. He added that the duration of the new positions expires Jan. 30, 1999.

Gruenes said that \$4 million is provided to the housing development fund with \$500,000 for the rental investment fund and \$3.5 million earmarked for the community rehabilitation fund. Gruenes added that under the bill, money in the accounts may be transferred between the affordable rental investment fund and the community rehabilitation fund accounts.

Gruenes said the Dept. of Economic Development will receive \$5.15 million to provide relief for storm victims including \$4 million to the Minnesota investment fund for grants to local units of government for locally administered operating loan programs for businesses directly affected by the storm. Gruenes added that the department also receives \$150,000 for technical assistance grants to local units of government.

Gruenes told committee members that \$4 million goes to the Dept. of Agriculture's rural finance authority for loans to farmers for repairs to farm buildings and for working capital operating loans. He said the Dept. of Revenue gets \$500,000 to be apportioned among the counties within the tornado disaster area to provide reimbursement for abatements granted for taxes payable in 1998 to properties damaged. He added that the apportionment is based upon the amount of tornado-related market value loss in each county.

The Dept. of Human Services, Gruenes said, receives a total of \$650,000 including \$400,000 for social service agencies and \$250,000 for grants to counties for after school expanded day care services. He said the bill also contains a \$5 million contingency appropriation to the commissioner of finance for allocation to programs for unanticipated needs to aid disaster victims. Gruenes added that before transfer of specific funds to programs, the commissioner must seek a recommendation on the proposed spending from the Legislative Commission on Planning and Fiscal Policy.

Sen. Jane Ranum (DFL-Mpls.) offered an amendment to allow state employees to donate up to 12 hours of accrued vacation time to a tornado disaster benefit account. Ranum said the account will be used to assist needy families and individuals affected by the tornadoes. The amendment was adopted. The bill was recommended to pass and re-referred to the Committee on Rules and Administration.

Judiciary

Fraud bill gains

The Judiciary Committee, Mon., Apr. 6, and Tues., Apr. 7, met to consider a bill, S.F. 3416, that clarifies provisions governing actions for fraud under the Uniform Commercial Code (UCC). The committee recessed for one day in order to hear testimony from all interested parties.

Sen. LeRoy Stumpf (DFL-Thief River Falls), the bill's sponsor, said confusion in the courts over the Legislative intent of the original bill and current statute prompted him to make an eleventh-hour request to have a new bill heard before the committee. S.F. 3416 amends a section of the Uniform Commercial Code dealing with economic loss arising from the sale of goods. Stumpf said recent court cases, including a case pending summary judgment, had demonstrated to him that the current statute needed clarification. Stumpf said he was the author of the bill adopted in 1991 that was drafted to deal with economic loss derived from negligence or strict liability claims. He said lawyers and courts were now interpreting the broad language in the original bill to bar tort causes of action based on fraud, which was not his original intent. The new bill states clearly that the section of the UCC does not bar actions for fraud.

The committee then took testimony from lawyers on both sides of the pending court case engaged in interpreting current statute. Linda J. Rusch, professor of law, also provided testimony about the legal interpretation of the section and offered suggestions to clarify language in the bill. The committee adopted the language which states that the section shall not be interpreted to bar tort causes of action based on fraud, or fraudulent or intentional misrepresentation.

The committee failed to adopt an amendment, offered by Sen. Don Betzold (DFL-Fridley), to delete a section of the bill that sets the effective date and impacts pending court cases. Betzold said he was uncomfortable with sending the message to the public that the Legislature is willing to pass legislation that directly affects the outcome of pending court cases. He said the legislative intent behind the statute would be clear to the judge in the case without setting a retroactive effective date.

The committee approved the bill and referred it to the Rules and Administration Committee.

Rules and Administration

Tornado relief advances

The Rules and Administration Committee acted quickly Mon., Apr. 6, to speed a bill providing \$27.6 million in tornado disaster relief to the Senate floor. The committee, chaired by Sen. Roger D. Moe (DFL-Erskine) also approved a measure providing aid to Northwestern Minnesota counties that have been devastated by crop diseases.

The tornado disaster relief bill, S.F. 3411, provides \$8 million for the 25 percent match required for Federal Emergency Management Assistance (FEMA) dollars; \$3.5 million for broad, flexible housing aid; \$5 million for business, economic development and public infrastructure assistance; \$4 million for agricultural loans to repair damaged farm buildings and for working capital operating loans; \$500,000 for tax abatements for taxes payable in 1998 to properties damaged by the tornados; \$650,000 for social services, farm advocacy outreach and expanded day care services; and \$5 million as a contingency for unanticipated needs to aid disaster victims.

Chief author John Hottinger (DFL-Mankato) said that while the damage in the tornado disaster area was unimaginable, the support and assistance by Minnesotans has also been unimaginable. He gave high praise to volunteers who came from all over the state to help victims of the tornados. In addition, Hottinger commended the administration for taking a leadership role in providing assistance to the stricken sections of the state.

Sen. Dennis Frederickson (R-New Ulm) offered an amendment that includes changes developed by the administration over the weekend. The amendment reduced the \$650,000 for social services to \$400,000, but added \$250,000 as an appropriation to the Dept. of Children, Families and Learning for after-school and expanded day care services. In addition, the amendment reduces the contingency appropriation by \$1 million, but appropriates \$1 million to the Minnesota Historical Society for historic preservation loans and grants. The amendment was adopted. Sen. Douglas Johnson (DFL-Tower) offered an

amendment authorizing the extension of deadlines for income taxes and authorizing the extension of deadlines for cities and towns to make required financial reports. The amendment was also adopted. Finally, an amendment was adopted that allows state employees to pool vacation time and donate it to needy families and individuals affected by the tornados.

The bill was approved and sent to the full Senate.

Members also approved a bill providing assistance to farmers in the Northwestern part of the state who have been affected by wheat and barley scab disease. S.F. 3409, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), provides \$8.5 million for reimbursement to eligible farmers for premiums and administrative fees paid for federal crop insurance on wheat and barley grown in one of the crisis counties for the 1997 growing season. Stumpf said that the floods last year set the state for the ravages of the scab disease that has plunged the area into a crisis situation. He said that the federal government has gotten more involved but that the state contribution, though modest, shows that the Legislature is listening to the farmers in Northwestern parts of the state. Under the bill, farmers in Beltrami, Clay, Clearwater, Kittson, Lake of the Woods, Mahanomen, Marshall, Norman, Pennington, Polk, Red Lake and Roseau Counties who have experienced a 50 percent or greater loss from the county yield average in wheat or barley yield or collected an indemnity or disaster payment on wheat or barley in one or more growing seasons between 1993 and 1997 are eligible for assistance. In addition, the bill spells out other conditions that must be met for farmers to be eligible. The maximum reimbursement available to any farmer is \$4,000.

Members adopted several amendments to the measure. The first, offered by Sen. Bob Lessard (DFL-Int'l. Falls), provides for an extension of timber permits. Another amendment extends the voluntary alternative dispute resolution program for an additional year, until July 1, 1999. Finally, members adopted an amendment eliminating the requirement that a description of real estate be filed along with financial statements covering crops growing or to be grown.

The measure was also approved and sent to the Senate floor.

Complaint disposed

A complaint alleging that a lobbyist provided false information to members of the Senate was acted on by the Rules and Administration Subcommittee on Ethical Conduct at a Tues., Apr. 7, meeting. The complaint, filed by Sen. John Marty (DFL-Roseville), alleges that John F. Berglund, representing the Minnesota Licensed Beverage Ass'n., Inc., distributed a flyer falsely attributing quotes to a Dept. of Public Safety (DPS) employee regarding arrest patterns of drivers with blood alcohol contents (BAC) between .08 and .10 percent while the Senate was considering a bill on the issue.

At the beginning of the hearing, Sen. Ember Junge (DFL-New Hope), chair of the bipartisan panel, explained the intent of the hearing. She said that the meeting was a fact-finding hearing and therefore rules of procedure were different from those for other legislative hearings. Junge explained that Senate Rule 76 regulates the conduct of lobbyists and requires the subcommittee to investigate complaints of violations of the rule. She said that once a complaint is filed, the co-chairs must determine whether and how to proceed with the investigation. Once the co-chairs decide to proceed, Junge said, the subcommittee's job is to determine if there has been a violation of a rule. She said that she wanted the matter currently before the subcommittee to come to a conclusion and stressed that an apology from the subject of the investigation does not end the proceedings.

The subcommittee had a resolution summarizing the findings of their investigative work. The resolution stated that on March 12, while the Senate was debating S.F. 2099, a bill proposing a reduction in the legal BAC for drivers to .08 percent, Berglund had a flyer distributed on the Senate floor. The flyer attributed quotes to Kathy Burke Moore, DPS Director of Driver and Vehicle Services, that 1,800 drivers, pulled over by law enforcement officers for various reasons (improper lane changes, broken tail light, etc.), were caught with BACs of .08 percent and .09 percent. The flyer further attributed to Burke Moore quotes that "very few, if any" were arrested for driving under the influence of alcohol (DUI), that as few as 2 percent were arrested for DUI, and that the other 98 percent of drivers safely drove themselves to their destinations. The resolution also

Committee update

stated that in addition to the fact that Burke Moore never made the statements, the statements aren't true in and of themselves. The resolution noted that Berglund has apologized to Burke Moore for quoting her as saying that 98 percent of the drivers stopped were able to drive themselves to where they were going, but had not apologized for the other three false quotations.

However, the resolution noted that Marty failed to prove that Berglund knew that the quotes were false. It stated that Berglund should have verified the quotes with Burke Moore before distributing the flyer, and that Berglund was careless and negligent for not doing so. The resolution recommended that Berglund provide to the Senate and to Burke Moore an acknowledgment that he should have checked the veracity of the statements attributed to her, and that he was careless and negligent for not doing so. The resolution further recommended that when Berglund satisfies the recommendation, the complaint be dismissed. The panel adopted the resolution unanimously.

Earlier, Junge described some related issues that have come to light as a result of the complaint and subsequent investigation. She said that the Senate should examine if it should have a rule against providing false information. On that question she said that the current rule is in place to protect the integrity of the legislative process and to protect the people that Legislators represent. Another question raised by the investigation, Junge said, was whether lobbyists should be treated differently than other people. If so, she asked, should an investigation of a complaint be conducted privately? Junge added that since the complaint was about an event that occurred publicly on the Senate floor, the investigation was conducted publicly. Junge said that Senate rules are silent on how to treat false statements made by other members of the public and state officials. She also said that the Senate rules should clarify whether other Senators may or may not lobby members of the Ethical Conduct Subcommittee on matters they are deliberating. Other issues that Junge said the case raised were whether lobbyists could be imprisoned for violations of Senate rules, and whether the Senate rules provide protection of due process. Junge recommended that the Senate Committee on Rules and

Administration should consider the issues and perhaps make changes to the Permanent and Joint Rules of the Senate.

The other co-chair of the panel, Sen. Dennis Frederickson (R-New Ulm), said that he was cognizant of the constitutional provisions regarding the investigative process and that the subcommittee followed those provisions in the course of its investigation of the case.

UCC bill gains

The Rules and Administration Committee, chaired by Sen. Roger D. Moe (DFL-Erskine) met Weds., Apr. 8, to adopt closing resolutions for the session and to consider three measures.

The closing resolutions were all of a routine nature and provide for notifying the governor and the House of Representatives of the readiness of the Senate to adjourn and provide for the operation of the Senate during the interim.

One bill, S.F. 3416, clarifying the effect of the economic loss statute in the Uniform Commercial Code on actions based upon fraud or misrepresentation received a fair amount of debate. The measure, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls), was developed in response to a situation with a major employer in Northwestern Minnesota. Opposition to the measure, voiced by Sen. Ember Junge (DFL-New Hope), was based on the fact that the bill could affect the outcome of a pending court case. Stumpf countered that the bill was simply a clarification of legislative intent for language that is currently in statute. The bill was approved and sent to the full Senate.

Members also approved a resolution, sponsored by Sen. Dave Johnson (DFL-Bloomington), supporting the admission of the Baltic States of Estonia, Latvia and Lithuania to the North Atlantic Treaty Organization.

A third measure was also heard. S.F. 3396, sponsored by Sen. Jane Ranum (DFL-Mpls.), is the revisors bill making corrections to errors in bills passed during the session.

Members also heard a report on the annual audit of the Senate. The audit, performed by the firm of Grant Thornton, is on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with government auditing standards.

Committee on Taxes

Baseball proposals debated

Two bills relating to baseball stadium construction and community ownership of the Minnesota Twins baseball franchise were debated by the Committee on Taxes, Weds., Apr. 8.

S.F. 3081, authored by Sen. Roy Terwilliger (R-Edina), funds a \$284 million stadium through a donation of a site worth \$50 million, the sale of \$138 in revenue bonds, and \$96 million in private contributions.

Terwilliger said the idea behind the funding proposal in the bill is simple. "If you don't use the stadium, you don't pay for it," he said.

The open air ballpark, as proposed in the bill, seats 40,000, and opens on April 1, 2002. Costs associated with the ballpark include \$218.5 million in construction and related costs, \$10.9 million in financing costs, \$50 million for the site, and \$4.5 million for contingencies.

The bill requires Twins ownership to be transferred to a nonprofit foundation and any existing team debt is to be guaranteed by the owner. The owner is to operate the team and absorb annual operating losses, but is to be reimbursed once the foundation sells the team. The bill requires the foundation to sell the team within five years of the date of transfer, offering both class A and class B shares. The class A shares may be sold to one or more new owners, and give the owners the right to operate and control the baseball team. The class B shares may be sold to individuals and offer the right to vote on the team's relocation.

The bill requires an advance deposit of one year's rent to protect against the eventuality of a player's strike, and authorizes Minneapolis and Hennepin County to exercise the right of eminent domain to acquire a site for the ballpark. The bill also requires the owner and the baseball team to agree to use the ballpark for at least 30 years without an escape clause.

One provision in the bill requires that at least five percent of the tickets in the baseball park will be available at the lower of \$5 per ticket, or a price no greater than 25 percent of the highest price seats. Other provisions authorize the Metropolitan Council to impose parking taxes, and a two percent income surtax for players and other ballpark employees with incomes over \$150,000 a

year. The income surtax also applies to visiting players' incomes, based on the number of days the players perform at the baseball park.

The committee adopted an amendment, moved by Sen. Carol Flynn (DFL-Mpls.), deleting the requirement that the Minnesota State Lottery conduct two instant lottery games with sports themes. The net revenues of the games were to be appropriated to the baseball park account after Minnesota environment and natural resources trust fund deductions.

Committee Chair Douglas Johnson (DFL-Tower) questioned whether the level of public support for the project has changed since last year's Minneapolis referendum, when a majority of voters rejected other plans for a ballpark. Sam Grabarski, of the Minneapolis Downtown Council, said that he never viewed the referendum's results as a vote against the ballpark, but against certain funding options. Terwilliger added that the vast majority of people want baseball to stay in Minnesota, but don't want the stadium to be paid for out of the general fund.

Sen. David Knutson (R-Burnsville) said he didn't understand how the committee had the time to adequately hear the proposal one day before adjournment, considering the lack of public notice.

Sen. Arlene Lesewski (R-Marshall) also said that the lack of available public comment was a concern, but that the proposal was much different than last year's, and she would be able to support it.

Sen. Dick Day (R-Owatonna) presented an amendment replacing the language of the bill with language that he said was the same as the Canterbury Downs proposal of the year before, funding a stadium with revenues from slot machines at Canterbury Downs. The amendment failed on a 14-4 roll-call vote. Another amendment requiring voter approval, offered by Sen. John Marty (DFL-Roseville), also failed. The amendment prohibited any Minneapolis city department, agency, commission, or board from using over \$10 million of city resources for the financing of professional sports facilities without the approval of a majority of votes cast on a ballot question.

S.F. 3081 was recommended to pass and sent to the floor, on a 12-11 roll-call vote.

S.F. 3106, providing for community

ownership of the Minnesota Twins baseball franchise, was also recommended to pass and sent to the floor, with little discussion. Authored by Sen. Ellen Anderson (DFL-St. Paul), the bill instructs the governor and the Metropolitan Sports Facilities Commission to attempt to work with the Minnesota Twins to transfer team ownership to a community or nonprofit foundation. The bill provides for the ownership of the team through class A and class B stock offerings, and limits certain levels of stock ownership.

Sen. Gen Olson (R-Minnetrista) asked whether the bill assures that there would be a baseball team for the community to buy. Anderson replied that the Pohlads have said that they want baseball to leave a legacy in Minnesota. "This would set the wheels in motion, and the Pohlads would take the next step," said Anderson.

Major Conference Committees

Capital budget conference

Testimony heard

Conferees focused on the adoption of language provisions at the Capital Budget Conference Committee meeting Thurs., Apr. 2. The conference committee, co-chaired by Sen. Keith Langseth (DFL-Glyndon) and Rep. Henry Kalis (DFL-Walters), reached agreements in areas where the House and Senate bills contain different language provisions. No funding provisions for the various projects were adopted.

Conferees adopted House language regarding Folwell Hall and a new art facility at the University of Minnesota. The adopted language states that the University can either use the expenditure to design the renovation of Folwell Hall on the Minneapolis campus, including renovation of its classrooms, or to design and prepare drawings for the construction of a new art department facility on the Minneapolis campus. Rep. Steve Trimble (DFL-St. Paul) said the House language contains an either or position because the University needs to choose what is most important to it. "They should be forced to make some of the hard decisions," he said.

Senate language was adopted concerning a library project at the University of

Minnesota Duluth campus. The language directs the University to construct, furnish, design and equip a new library facility. Kalis said if there is anything in the proposals that will bring the bonding bill down it will be the University of Minnesota proposal because they have not prioritized their funding requests. "The university administration cannot expect to have everything it wants in this bonding bill," Kalis said. Trimble questioned if the University of Minnesota should receive 25 percent of the total bonding bill. Sen. Gary Laidig (R-Stillwater) retorted that the University of Minnesota system is large and maintaining it as a world class institution is important. "I am looking at the quality of improvement projects not the quantity of the requests," Laidig said.

Senate language was adopted to create a redevelopment account in the general fund that may be used to make grants to Indian communities for redevelopment costs related to infrastructure improvements and public benefits. Sen. Linda Berglin (DFL-Mpls.) offered an amendment to require that grants awarded under the program meet certain criteria. Berglin said the grants must go for projects that enhance the property tax base on the site or adjacent sites or grants must be used in conjunction with remediation activities. She said, under the amendment a project is eligible to receive a grant if it is in an area that has recently been subject to a natural disaster and other state and federal programs will not contribute. The amendment to the Senate language was adopted.

Senate language was adopted concerning Bemidji State University and Northwest Technical College. The language directs the pre-design and design study for a structure to locate all programs at the technical college and the state university's industrial technology and nursing programs at one facility. The Senate language further states that the board of trustees may consider, among other options, the remodeling of the former Bemidji high school and may convey the former technical college facilities to the school district.

The conferees also adopted House language pertaining to the Fond Du Lac Community and Tribal College. The adopted language directs the board of trustees to design a classroom addition using non-state sources. The language

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further states that the college is encouraged to seek additional non-state matching money to offset a portion of the cost of construction and that the total cost of the building must not exceed \$7.5 million.

Agreements on language

Conferees focused on the adoption of language provisions at the Capital Budget Conference Committee meeting Mon., Apr. 6. The conference committee, co-chaired by Sen. Keith Langseth (DFL-Glyndon) and Rep. Henry Kalis (DFL-Walters), reached agreements in areas where the House and Senate versions of H.F. 3843 contain different language. No funding provisions for the various projects were adopted.

Conference committee members adopted House language for a grant to the city of Wabasha for design and construction of the American Bald Eagle Center. The language specifies that no grant can be awarded until an equal amount of non-state sources has been committed. House language was also adopted to acquire wetlands for restoration to be used to replace wetlands drained or filled as a result of the repair, maintenance, or rehabilitation of existing public roads.

Conferees adopted Senate language to design, construct, furnish, and equip a new building for the Dept. of Revenue's Minnesota collection enterprise operations in Ely. House language was also adopted concerning the Dept. of Revenue. The language directs the department to relocate from a leased facility to a new state-owned facility in the Capitol Complex. The adopted language states that the appropriation includes staging equipment and furnishings necessary to complete the relocation and to continue critical operations at the new facility.

The commissioner of administration, under Senate language adopted, is directed to study the possibility of acquiring property on the southwest corner of Rice Street and University Avenue to serve as the location for a state office building to house the Dept. of Commerce and other agencies that need to relocate. Conferees approved House language directing the commissioner of administration and the Capital Area Architectural and Planning Board to study and report to the Legislature on possible improvements of the stairs from

the tunnel to the Capitol, so as to encourage greater use of stairs and less use of the elevator.

House language was adopted for the purchase and development of land for the National Children's Golf Course in Blaine. The language specifies that a person age 18 or over may not use the course unless playing with a youth under 18. The restrictions in the language do not apply if there is space available when a person arrives at the course without a reservation, but adults playing the course must be charged the market rate. Conferees also adopted language for grants to local communities for the Mighty Ducks Ice Arena program and language for a grant to the Mt. Itasca Ski Area to expand its facilities.

House language was agreed upon to provide a grant to the Seaway Port Authority of Duluth for design and site improvement for a new warehouse. The appropriation will not be available until an equal amount of non state funding sources are secured for the project. House language was adopted for a grant to Hennepin County to purchase, remodel, and complete accessibility upgrades to an existing building to be used by People, Inc. Northside Community Support Program.

Senate language was adopted directing the Board of Trustees of the Minnesota State Colleges and Universities to construct the Marshall Regional Emergency Response and Fire Training Center. A Senate provision was also approved to design, construct, furnish, and equip a state patrol training facility at Camp Ripley in Little Falls.

Conferees adopted language providing for grants to local communities for convention and community centers. House language for a grant to the city of Hutchinson to design, construct, furnish, and equip a community civic center was approved along with Senate language for grants to the city of Rochester for the Mayo Civic Center, the city of St. Cloud for the St. Cloud Community Event Center, and to the city of Fergus Falls for the Fergus Falls convention Center. Language for the provisions requires equal matching with non state sources before the grants can be awarded. House language provisions were also adopted for a grant to the Humboldt Avenue Greenway project in Minneapolis, for a grant to the Southeast Regional Develop-

ment Commission for the Prairieland Expo project, and for a grant to the City of Montevideo for engineering, architecture, and development of a public capital improvement project following the 1997 flood.

Bonding proposal finalized

The Capital Budget Investment Conference Committee reached a final compromise at its meeting Thurs., Apr. 9, reconciling differences between the House and Senate versions of H.F. 3843. The conference committee was chaired by Sen. Keith Langseth (DFL-Glyndon) and Rep. Henry Kalis (DFL-Walters).

Langseth said the final bill contains just more than \$999 million in spending on capital projects throughout the state. He added that the projects are funded using \$500 million from the general fund, \$438 million from the bond proceeds fund (general fund debt service), \$34 million from the transportation fund, \$1.2 million from the trunk highway fund, and \$25.6 million from bond proceeds fund (user financed debt service). The compromise also includes a funding plan for and ice hockey arena at the St. Paul RiverCentre for the new Minnesota Wild NHL team.

Under the agreement made by conferees the University of Minnesota receives \$138 million in capital funding. Projects that received funding include \$4 million for higher education asset preservation and replacement, \$1.25 million to construct, furnish, and equip an addition for the Chemical Engineering and Materials Science Program at Amundson Hall on the Minneapolis campus, \$730,000 to design and prepare construction drawings for a new arts building, \$3.5 million for digital and utility infrastructure.

The university also receives \$690,000 to design the renovation and upgrading of classrooms at Folwell Hall, \$53.6 million to design, renovate, furnish, and equip the Walter Digital Technology Center in the Minneapolis campus, \$4 million for design and remodeling of selected laboratories at Gortner and Snyder Halls on the St. Paul campus, and \$900,000 for greenhouse renovation and replacement to design for upgrading plant growth facilities for teaching and research. Conferees approved \$6.9 million to renovate, furnish and equip classroom, research and office space at Peters Hall,

and \$3 million to design and rebuild the soccer complex in the St. Paul campus, design and rebuild the softball complex in the Minneapolis campus, and design and construct women's athletics office space in Bierman complex on the Minneapolis campus. The Crookston campus is appropriated \$3.8 million to design, construct and furnish four projects including new construction of the early childhood development center, the Knutson Hall remodeling, and the University Teaching and Outreach Center Stable expansion.

The Duluth campus is funded for \$22.3 million to construct, furnish, and equip a new library, \$200,000 to design the renovation of vacated academic and laboratory space, \$600,000 for capital repair and reconstruction to various parts of the Glensheen mansion. The Morris campus is also appropriated \$28.2 million to construct, furnish and equip existing space, including demolition of the physical education annex. The four components of the Morris project are an addition to the existing science building, a renovation of the science auditorium, an addition to the physical education center and expansion of the heating plant.

The University of Minnesota is appropriated \$4.4 million for several agricultural experiment stations, including \$2.6 million for swine research facilities at Morris and Waseca, \$700,000 for the arboretum/horticulture center laboratory in Victoria, \$800,000 for Cloquet Forestry Center dormitory remodeling, and \$300,000 for a Grand Rapids administration building addition.

Minnesota State Colleges and Universities (MnSCU) is slated to receive \$143 million in appropriations. Conferees approved \$43 million for higher education asset preservation and replacement (HEAPRA) at MnSCU including \$31.6 million for code compliance including health and safety, ADA requirements, hazardous material abatement, air quality improvement, building or infrastructure repairs. Of the total, \$11.3 million for HEAPRA is for facilities replacement at various state campuses. Hibbing Community and Technical College was appropriated \$16 million to construct a new facility, adjacent to the community college, for technical programs, administrative services and customized training while \$11 million is appropriated for

Inver Hills Community College to renovate an existing science building and Mankato State University to renovate indoor and outdoor athletic facilities. In the final compromise \$10.4 million is spent on North Hennepin Community College to remodel existing facilities for a science center and \$7.6 million was appropriated to design and construct a new addition and remodel the existing facilities at the Hutchinson campus. Conferees approved \$6 million to renovate existing facilities and install telecommunications infrastructure and \$5 million is slated for phase one design and construction of a regional community recreation and sports activity complex adjacent to the Rochester Center. St. Paul Technical College receives \$10 million for an addition to the library and student resource center while \$5 million was earmarked to acquire land adjacent to or near the state college and university campuses.

Conferees agreed to appropriate \$62.4 million for the Dept. of Children Families and Learning including \$5 million for the early childhood learning facilities and \$5 million for grants to local governments to construct and renovate parks and recreation facilities. Local community centers receive a total of \$10.8 million in funding. The projects that have line item expenditures in the bill are Lake Crystal Area Recreation Center, the Windom Area Multi-Purpose Center, the Detroit Lakes Community Center, The Proctor Community Activity Center, the Hastings City Water Park, Granite Falls Multipurpose Center, the Redwood Valley Education Center, Dawson Boyd Community Center, the Isle School Facility Community Center, the Hallet Community Center, and the Hermantown Community Center. Committee members approved \$22.2 million to metropolitan magnet schools for grants including \$14.5 million for the construction of the Metropolitan Integration magnet school in Robbinsdale. The Dept. of Children, Families and Learning also receives \$14.3 million for a community schools partnership grant to the St. Paul School District to acquire and better achievement-plus facilities in the district.

Under the conference committee report, the Faribault academies receives \$9.2 million in appropriations, including \$4 million for the renovation of Tate Hall, \$4.5 million for Lysen Hall expan-

sion and renovation and \$725,000 for asset preservation.

The Dept. of Natural Resources (DNR) is appropriated \$130.2 million for various projects and programs, including \$10.2 million hiking trail acquisition and development, \$30 million for flood mitigation grants to local governments to pay for publicly owned capital improvements to prevent or alleviate flood damages, \$2.3 million for an environmental learning center in Mounds View, and \$8 million for local initiative grants to renovate, develop, and acquire local parks, trails, and natural and scenic areas.

The DNR also receives \$3.9 million for the Como Park Education Center, \$2 million for reconstruction, replacement or resurfacing of state forest roads and bridges, \$5 million for metropolitan regional trail connection to improve metro trails and connect them with existing state and regional trails, and \$5 million for development and acquisition of safe harbors on Lake Superior. The DNR will receive \$7.3 million for design, land acquisition and construction for offices and service facilities at sites in Windom and Tower.

Conferees appropriated \$11 million for the Amateur Sports Commission including \$4.8 million for the National Sports Center Expansion, \$2 million for the "Mighty Ducks Community Ice Center Grants, an \$2 million for Richfield athletic facility grant.

The bill appropriates \$93.3 million for the Dept. of Transportation to fund projects, including \$34 million to the local bridge replacement and rehabilitation fund, \$46 million for metropolitan transit ways, and \$5 million for rural transit grants. The Dept of Human Services is set to receive \$19.9 million from the Legislature to fund \$4 million in asset preservation, \$1.9 million to make capital roof repairs to department facilities statewide, and \$8 million for building renovations at the Moose Lake Sexual Psychopathic Personality Center.

The bill contains \$209.5 million for grant to political subdivisions. Minneapolis will receive \$87 million to fund its convention center expansion and the St. Paul RiverCentre will get a \$65 million state loan to build a hockey arena for the Minnesota Wild NHL team. Conferees appropriated \$12 million to the city of Duluth to fund part of their convention center expansion.

Conference update

Environment and Agriculture conference

Omnibus bill agreement reached

After weeks of debate over issues including feedlot regulation, snowmobile studs, and the disposition of the lakeshore lease lots, the Environment and Agriculture Conference Committee was able to reach common ground, approving the final version of the omnibus bill Thurs., Apr. 2.

Approved feedlot and feedlot-related provisions in the bill are numerous. Until June 30, 2000, the Pollution Control Agency (PCA) and counties are prohibited from issuing a feedlot permit for the construction of an open-air, earthen, or flexible membrane-lined swine waste lagoon. The prohibition does not apply to repairs or modifications of any existing lagoons if the repairs offer an environmental improvement. Provisions clarify that counties may adopt feedlot standards more stringent than PCA rules, and require any counties and towns that have adopted animal feedlot ordinances to supply copies to the Dept. of Agriculture by Aug. 1, 1998. Provisions also require any county or town adopting or amending a feedlot ordinance to report the new or amended ordinance within 60 days after adoption, until June 30, 2001.

Many of the feedlot provisions relate to permitting, manure storage plan approval, county ordinances, feedlot inventory notification, and public meeting requirements. Permitting provisions allow the PCA to refuse to issue or authorize the transfer of an animal feedlot permit if the PCA determines that the permit applicant does not possess sufficient expertise and competence to operate the facility in conformance with applicable laws. The PCA may take into account the applicant's past experience and expertise, as well as the applicant's past record and criminal record. Prior to refusing to issue or transfer a permit, the PCA must provide the permit applicant with the opportunity to respond to any findings. Provisions allow applicants to request a hearing under the Administrative Hearings Act, if the PCA denies a permit.

Manure storage provisions provide that until new rules are adopted by the PCA that set forth plans for manure storage structures, all plans for liquid manure storage structures must be prepared or

approved by a registered professional engineer or a USDA-NRCS employee. The provisions extend the current requirement in PCA rules to liquid manure storage structures that hold less than 500,000 gallons. The provisions also require that after Jan. 1, 2001, any counties that have not accepted delegation of the feedlot permit program must hold a public meeting prior to the PCA issuing a permit for a feedlot facility with 300 or more animal units, unless another public meeting has been held on the facility.

Feedlot inventory notification and public meeting requirement provisions require a state agency or local government unit conducting an animal feedlot inventory to publicize the notice in a newspaper or other appropriate media. Prior to beginning an inventory, a local government unit must hold at least one public meeting within its boundaries, and a state agency must hold at least four public meetings prior to beginning a feedlot inventory. The provisions require notices and public meetings to provide information on the dates the inventory will be conducted, the inventory procedure to be used, and how the information will be provided to the public.

National Pollutant Discharge Elimination System (NPDES) feedlot permitting requirement provisions require the PCA to issue either individual or general NPDES permits for feedlots, depending both on the size of the facility and the date of the application. The PCA must issue individual NPDES permits for newly constructed or expanded feedlot facilities with 2,000 or more animal units whose applications are received after enactment. The PCA must also issue individual NPDES permits after Jan. 1, 1999, for newly constructed or expanded feedlot facilities identified as a priority by the agency, if they possess between 1,000 and 2,000 animal units. The PCA must issue either an individual or general NPDES permit for existing animal feedlots with 1,000 animal units or more, by Jan. 1, 2001.

Feedlot provisions also require the PCA to hold at least one public hearing prior to issuing a general permit for a category of animal feedlot facility permittees, and require the public notice and comment period for NPDES permits to be concurrent with the public notice and comment period for the environmen-

tal review of the feedlot facility. A number of other feedlot provisions require state agencies to report back to the Senate and House environment and agriculture committees with certain information.

Provisions relating to animal waste add manure testing laboratories to the existing soil testing laboratory certification program and reduce the requirements for laboratory testing to at least twice annually. The provisions provide that after Mar. 1, 2000, a person who manages or applies animal waste for hire must have a commercial animal waste technician license. Persons managing waste on land owned by the person's employer, or under the supervision of a licensed animal waste technician, are exempt from the licensing requirements. The provisions state that a commercial animal waste technician license is valid for three years, and may be renewed after paying the application fee and fulfilling requirements imposed by the Dept. of Agriculture.

Snowmobile provisions regulate the use of metal studs and add licensing fees. The provisions permit the Dept. of Natural Resources (DNR) to adopt snowmobile rules regarding the use of certain types of studs, and extend the prohibition on the use of snowmobiles with metal studs on paved state trails to any public trails. Local governments are permitted to allow the use of snowmobiles with metal studs on any paved trails under their jurisdiction. The provisions prohibit the use of snowmobiles with metal studs on public lands, roads, or trails, or on public road or trail rights-of-way after July 1, 1999. The provisions also provide that until June 30, 1999, a peace officer may seize a snowmobile on a second or subsequent violation of the prohibition against using snowmobiles with metal studs on paved public trails.

One licensing provision prohibits the operation of a snowmobile with a track equipped with the metal studs, unless a \$50 sticker is affixed to the snowmobile. The proceeds from the fee are to be dedicated to repairs of paved public trails. The provision is to be repealed July 1, 1999, the same date the metal stud prohibitions go into effect. Another licensing provision adds a sticker that must be affixed to snowmobiles not registered in Minnesota that are being used on state-funded trails. The stickers

are to be issued through fishing and hunting license agents, with an issuing fee of \$1.

Provisions on the lakeshore lease lots provide a process for the DNR to review the lots and allow leaseholders not meeting certain criteria to exchange a parcel of private lakeshore for the lots by July 1, 2004. By Dec. 31, 2004, the DNR must submit a list of the leased lots that have not been exchanged and may be sold subject to legislative approval.

Ethanol-related provisions in the bill increase Minnesota's ethanol production goal from 220 million gallons to 240 million gallons, allow the Dept. of Agriculture to approve the Minnesota Brewing Company's ethanol plant for production of up to 12 million gallons of ethanol per year in the ethanol producer payment program, and exempt the additional \$2.4 million per year from the overall \$34 million annual payment cap. Other ethanol provisions prohibit the Dept. of Agriculture from approving any new production capacity after July 1, 1998, and direct the Dept. of Finance to transfer \$400,000 from the ethanol development fund to the general fund.

Provisions relating to timber wolves increase the maximum payment for livestock owners from \$400 to \$750 per animal destroyed by timber wolves, allow a university extension agent or conservation officer to take into account factors other than visual identification of the carcass when making a determination, and authorize payment only if both the extension agent and the conservation officer recommend payment. The provisions also change the payment standard from "caused more probably than not by a timber wolf" to "likely caused by a timber wolf," and require the Dept. of Agriculture to provide the livestock owner with an itemized list of any deficiencies in adoption of best management practices. Other measures require the Dept. of Agriculture to develop best management practices to prevent timber wolf depredation on livestock farms by Sept. 1, 1999, and increase the amount from private donations that may be given as a reward for information on the illegal taking of a timber wolf from \$1,000 to \$2,500.

Personal watercraft (PWC) provisions in the bill provide that PWC training must be provided for persons aged 13 to 18 as a part of the youth watercraft safety

course, increase the license fee for personal watercraft from \$6 to \$12, and place a \$50 surcharge on personal watercraft licenses. The surcharge is to be paid when personal watercraft licenses are issued or updated every three years, and a portion of the revenue from the fee is for use by the DNR for PWC enforcement and safety education. The remaining revenue is for grants to counties proportional to the use of PWCs in the counties.

Total appropriations under the bill for the FY 98-99 biennium are \$17.24 million. Appropriations to the Pollution Control Agency total \$1.39 million, and are allocated to a number of projects, including county feedlot grants, fish research grants, wastewater infrastructure funding administration, a cost-benefit analysis of rulemaking, frog investigations, federal clean water programming, and Benton County for payment of lawsuit settlement costs.

Appropriations to the DNR total \$10.99 million for the biennium. Almost every project initiated by the governor, House or Senate is funded at some level. Over 30 appropriations to the DNR are funded.

Minnesota Zoo appropriations for the biennium total \$1.5 million. Board of Water and Soil Resources appropriations total \$1.4 million, and include funding for four projects, including Quad Lakes restoration, dairy water quality grants, consolidating existing shoreland and lake-related guidebooks, and using tree breaks to serve as snow fences.

Appropriations to the Dept. of Agriculture for the biennium total \$2.41 million. The appropriations include funding for gypsy moth responses, meat inspection programming, farmer's market nutritional programs, livestock depredation payments, beaver damage grants, milk market litigation, dairy diagnostics teams, a cooperative grant program, market champ breeding initiatives, the Passing on the Farm Center, manure digester technology, cider technology, a wolf depredation study, and commercial manure applicators' licensing.

Miscellaneous general fund appropriations in the bill include \$292,000 in FY 99 from the U of M for alternative and sustainable hog production facilities and programs, \$30,000 in FY 98 and \$160,000 in FY 99 to the Board of Animal Health for the control of

paratuberculosis, and \$300,000 in FY 99 to the Dept. of Administration for modification of business systems to address year 2000 changes. The bill also appropriates \$50,000 in FY 99 from the natural resources fund for a study to determine the actual percentage of gasoline consumed by watercraft.

HHS Conference

Health bill deadlocked

The Health and Human Services Conference Committee met Fri., Apr. 3, and Sat., Apr. 4, to continue discussion of the omnibus health and family security supplemental budget bill, S.F. 3346.

On Saturday, a motion to adopt the conference committee report failed on a voice vote. All policy and funding provisions were adopted, but several House and Senate conferees withheld final signature of the conference committee report in protest of the committee's deletion of provisions banning partial-birth abortions. The committee last week voted to remove the House language regarding abortion reporting requirements and partial-birth abortion from the bill. The committee, chaired by Sen. Don Samuelson (DFL-Brainerd) and Rep. Lee Greenfield (DFL-Mpls.), instead approved a motion to have the Revisor's Office put the bill into its proper format.

Despite the remaining policy disagreement, the committee came close to meeting its \$58 million budget target with total expenditures of \$57.996 million. The bill includes appropriations for a three percent cost-of-living allowance increase (effective July 1, 1998) for nursing homes and other health-care providers. Other provisions granted funding include child abuse and fetal alcohol syndrome prevention programs, housing subsidies for welfare recipients, food stamps for legal non-citizens, cervical and breast cancer screenings, a new office for health care assistance, food safety leadership initiatives, and lead abatement and swab team programs.

The committee agreed to delay final approval of the bill until the next meeting.

Omnibus health bill gains

The Health and Family Security Conference Committee met briefly, Tues., Apr.

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7, to put final signature on the omnibus health and family security supplemental budget bill, S.F.3346. The total appropriation in the 1998-99 budget for programs in the departments of the Health and Human Services is \$58 million. With a rare last-minute substitution of two new House conferees, Rep. Loren Jennings (DFL-Harris) and Rep. Thomas Huntley (DFL-Duluth), the committee was able to break a deadlock that had plagued earlier meetings. The controversy had been the conference committee's removal of House language regarding a ban on partial-birth abortions and stringent abortion reporting requirements. The bill was passed out of committee on a voice vote.

The omnibus bill appropriates \$22.4 million in FY 1999 for a 3 percent cost-of-living allowance (COLA), effective July 1, 1998, for direct care staffing for nursing homes, home and community-based programs for the disabled, as well as dentists, occupational, physical, respiratory and speech-language therapists, and managed care rates. The Medical Education and Research Fund receives the governor's requested \$10 million increase for grants, which now includes chiropractors. In order to access more than \$84 million over the next three years in federal Kid Care money, Medical Assistance maximum income limits for children are increased to 280 percent. The asset test is also eliminated in determining Medical Assistance and MinnesotaCare eligibility for children. Conferees added a federal conformity section of a child welfare bill in order to prevent the loss of about \$60 million in federal funds. The bill provides funding for disease, child welfare, and other prevention programs. The Fetal Alcohol Syndrome prevention program receives \$5 million for program operation and grants, as requested by the governor. Breast and cervical cancer screening programs receive \$1.25 million, institutional infection control receives \$200,000, asbestos-related lung cancer receives \$250,000, sexually transmitted disease prevention receives \$300,000, diabetes prevention receives \$50,000, and lead-safe property certification receives \$75,000. Children's mental health services receive an increase of \$300,000 for grants to counties with a low net tax capacity and \$200,000 for development of additional crisis nurser-

ies. A total of \$10.2 million out of the Temporary Assistance for Needy Families reserve fund is allocated for family preservation efforts, of which \$10 million is provided to counties for child protection efforts, and \$200,000 for increased home visitation programs. A compulsive gambling prevention program is allocated \$340,000 from the lottery prize fund. An additional \$643,000 will be sought from Minnesota Indian tribal governments operating casinos.

The bill makes several modifications to the 1997 welfare reform program, Minnesota Family Investment Program-Statewide (MFIP-S). These include extending food stamps for legal non-citizens, delaying for one year a provision to count the first \$100 of housing subsidies as income, restoring a \$30 food stamp reduction for people in public housing, giving a yearly COLA to the food stamp portion of the welfare benefit, and making refugees arriving after March 1, 1997 eligible for General Assistance. Caregivers voluntarily leaving the MFIP-S remain eligible for state child care and health care benefits. Caregivers are exempt from the 60-month limit during a month in which they are unable to work because of a certified illness or disability or are needed at home to care for an incapacitated family member, as well as a single parent working at least 35 hours per week.

Other provisions of the bill include funding for a kidney transplant drug program in which families with incomes up to 275 percent of poverty (\$45,238 per year for a family of four) may receive payment for those drugs. An Office of Health Care Consumer Assistance is appropriated \$100,000. The office will provide assistance, advocacy, and information to health care consumers, but will have no regulatory or legal power. The Ombudsman for Mental Health and Mental Retardation will coordinate and share administrative duties with the office.

Finally, the bill also expands the definition of health plan company under the Patient Protection Act, provides that written disclosure must be provided by all health plans outlining a description of the nature of reimbursement methodologies, mandates Hepatitis B immunizations for enrolling school children, and makes substantive and technical changes to long term care and health care programs.

K-12 Education Conference

Supplemental bill approved

After several days in a row of lengthy negotiations by the K-12 Education Conference Committee, chaired by Sen. Lawrence Pogemiller (DFL-Mpls.) and Rep. Becky Kelso (DFL-Shakopee), the supplemental education funding bill was approved at a meeting Weds., Apr. 8.

The bill, H.F. 3378, appropriates \$213 million for K-12 education and includes major policy provisions that abolish the State Board of Education, phase in implementation of the new "Profiles of Learning" graduation rule, remove the cap on superintendent salaries, provide funds for mediation and litigation relating to the NAACP lawsuit against the state, and change policies relating to special education.

The bill includes provisions eliminating the State Board of Education as of Dec. 31, 1999, and transferring its rule-making authority to the commissioner of Children, Families and Learning (CFL). A provision directs CFL to make rules relating to desegregation and integration policy by Jan. 10, 1999. One of the State Board's duties, overseeing the State Academies for the Blind and the Deaf in Faribault, is transferred to a new Board of the Faribault State Academies. The bill directs the Coalition for Education Reform and Accountability (CERA) to examine alternatives for restructuring the state's K-12 education system, and to study the roles of various governmental units in policymaking in the area of K-12 education.

The largest appropriation in the bill is \$90 million to buy back the remainder of the property tax recognition shift. The buy-back is intended to ease cash flow for school districts. The bill includes a phase-in plan and additional funds to help schools that are struggling to implement the Profile of Learning, the state's new graduation requirement. School districts that are not ready to begin full implementation of the graduation rule this fall are allowed to phase in the rule over three years. However, all school districts are required to complete full implementation by the year 2002.

The bill provides \$70.3 million in FY 99 for staff development and technology programs to help schools implement the Profiles of Learning. Another \$3.3

million is provided for resource grants to various educational entities to design implementation programs for the Profiles of Learning. All school districts receive an additional \$52 per pupil for FY 99 and of that amount \$20 must be used for implementation of the Profiles of Learning, \$27 for technology and class-size reduction, and an additional \$5 for gifted and talented programs. All districts that are fully prepared to implement the Profiles of Learning requirement in the fall of 1998 receive an additional \$15 per pupil, and equity districts receive an additional \$26 per pupil. Each year beyond FY 99, school districts receive an extra \$43 per pupil for staff development and equity districts receive an additional \$20 per pupil. The bill requires school districts to set aside 1 percent of their general education revenue for staff development purposes in future years.

A provision in the bill removes the cap on superintendent salaries. Currently, school districts may not pay their superintendents more than 95 percent of the governor's salary. The bill strikes school districts from the list of political subdivisions prohibited from paying employees more than 95 percent of the governor's salary.

The bill appropriates to CFL an additional \$450,000 each year of the FY 98-99 biennium for the state to use in litigation and mediation costs in a pending National Association for the Advancement of Colored People (NAACP) lawsuit. The NAACP has filed a lawsuit against the state, charging that children in Minneapolis are not receiving adequate educations. The increase raises to \$1.3 million each year the state appropriation for costs associated with education adequacy litigation.

The second article of the bill makes changes to Minnesota Statutes relating to special education. Many of the changes are designed to conform state law to new federal special-education guidelines by July 1, 1999. The article expands the definition of children with disabilities to include children who have autism, traumatic brain injury, and multiple disabilities. The article includes provisions for the state to cover school district's litigation costs relating to special education that are incurred through due process hearings, and appropriates \$500,000 for each of the

next four years to special education litigation costs. The bill also allows districts to pay or reimburse copayments, coinsurance, deductible and other insurance enrollee cost-sharing amounts on behalf of the student or family, in connection with health and related services provided under an individualized educational plan. A provision requires that beginning July 1, 1999, school districts seek reimbursement from insurers and similar third parties for the cost of services provided by the district whenever the services provided by the district are otherwise covered by the child's health coverage.

The bill appropriates \$14.7 million in FY 99 to help school districts struggling with changes made in the compensatory funding formula. The largest grant, \$14.5 million, goes to the Anoka-Hennepin school district, followed by \$900,000 to Duluth, \$800,000 to Osseo, and smaller amounts to St. Paul, Robbinsdale, and Rochester.

The bill appropriates \$12 million for residential academies for students in grades 4 through 12. The funds are appropriated to the CFL commissioner to award grants to public organizations or a collaborative of public and private organizations for capital and start-up costs for the academies. Enrollment in the residential academies is voluntary, and is aimed at students who may have experienced homelessness or an unstable home environment, and perform or are at risk of performing below the academic performance level for students of the same age or ability.

The bill provides \$14.775 million in FY 99 to the CFL commissioner to award grants and loans to school districts affected by the 1997 floods for expenses associated with the floods not covered by insurance or state or federal disaster relief. The bill also adds \$1.5 million to the 1997 appropriation for all-day kindergarten programs, and appropriates \$700,000 in additional funding for education programs serving homeless students. There is a provision that allows driver's education courses, whether they are provided by a public or private entity, to be eligible for the education tax credit.

Provisions in the bill simplify various levies and tax rates for school districts, reduce the adult basic education levy and replace it with state aid, and reduce the early childhood family education and

community education tax rates. The provisions roll district cooperation funding into the general education formula, increase the formula by \$67 per pupil, and replace the current staff development incentive formula with a levy. The levy simplification provision begins with taxes payable in 1999, with a cost of \$3.149 million over the FY 00-01 biennium.

The bill requires the Board of Teaching to convene a working group to recommend changes that would make employment dates on licensed education personnel more accessible to school districts. A provision requires Minnesota's higher education systems to recommend to the Legislature by Dec. 1, 1998, how to promote a direct connection between teacher training and student learning needs under the state's Graduation Rule.

The bill requires that each school year, school districts determine whether student achievement levels are meeting state expectations, and if not, to develop a plan to raise achievement levels. In addition, school superintendents must report to the CFL commissioner each year on the amount of funding a district needs to achieve a specific passing rate on the eighth grade achievement tests and how much money is used to cross-subsidize special education, compensatory and general education budgets.

The bill contains provisions granting school districts the authority to require low-performing students to attend summer school, and allowing districts to start school before Labor Day but not before Sept. 1, effective in 2001.

New provisions were added to the bill in conference committee that provide \$5 million in the FY 98-99 biennium and \$10 million in the FY 00-01 biennium to fetal alcohol syndrome programs. A provision directs the commissioner of health to design and implement an ongoing statewide campaign to raise awareness and educate the public about fetal alcohol syndrome and other effects of prenatal alcohol exposure. Other provisions require the Dept. of Health to develop a statewide network of regional fetal alcohol syndrome diagnostic clinics the University of Minnesota, and develop curricula about fetal alcohol syndrome for the professional training of health care providers, social service providers, and others.

Conference update

Tax Conference

Local sales taxes discussed

The Conference Committee on Taxes met Thurs., Apr. 2, to continue discussion of provisions in the omnibus tax bill, H.F. 3840. The committee is chaired by Sen. Douglas Johnson (DFL-Tower) and Rep. Dee Long (DFL-Mpls.).

Sen. Larry Pogemiller (DFL-Mpls.) opened the meeting with discussion of a provision in the bill to prevent golf courses from requiring patrons to rent a cart even when they choose to walk the course. Pogemiller said, "The provision in no way infringes on part of golf courses to raise revenue. My intention is to bring health and fitness back to game and back to Minnesotans who play the game." Sen. Mark Ourada (R-Buffalo) spoke to the panel and said he was against the provision. He added, "It is absurd to put this provision into law. Let golf courses run their businesses as they know best and let the market determine the fair price for services." The provision was held over for further discussion.

Sen. Steve Kelley (DFL-Hopkins) presented the Senate position on a provision in the bill dealing with the State Auditor's Office and non-profit organizations. Kelley said a problem exists in an interpretation of current statute in the State Auditor's Office which holds that local units of government shall not create non-profit organizations (NPO's). Kelley said he was motivated to clarify the law so it will not have a retroactive impact on non-profit organizations that already exist and are being told by the auditor's office that they can no longer exist under the statute. Long said she was concerned about maintaining accountability measures governing local unit contracts with the NPO's. Kelley offered an interim solution that would require local units of government to review accountability measures before they enter into contracts with non-profit organizations. In closing, Long suggested that the committee develop new language to require a report from local units on contract accountability measures, sunset the clause under discussion, and allow the Legislature to revisit the issue next year.

Rep. Jean Wagenius (DFL-Mpls.) presented a House provision regarding the distressed homestead reinvestment

exemption. She said the provision provides incentives to owners to rehabilitate distressed houses in distressed neighborhoods in order to give the neighborhoods some stability. Conferees then discussed other urban homestead programs and the various neighborhoods that would most likely benefit from these programs.

Local sales taxes okayed

Much of the later portion of the Thurs., Apr. 2, Tax Conference Committee meeting was devoted to discussing and adopting provisions relating to local option sales taxes. In addition, the panel chaired by Sen. Douglas Johnson (DFL-Tower) and Rep. Dee Long (DFL-Mpls.), reviewed the first Senate proposal for income and sales tax provisions.

For the most part, the committee authorized the local sales taxes but adopted the standardized criteria developed in the House version of H.F. 3840. The criteria include limiting the tax to one half of one percent rate on the state tax base with a \$20 motor vehicle excise tax; specifying that the revenues be used for "bricks and mortar" projects only, not to fund operating costs; specifying that the revenues may not be used to secure bonds; limiting the spending or bonding authorization and specifying that the tax must terminate when sufficient funds to pay the costs have been raised; and requiring a referendum in each community at the next general election.

Under the proposal, Bemidji is authorized to have the local sales tax to fund the construction of a convention center, Coon Rapids may have the local sales tax to fund infrastructure costs related to the Riverdale Project, Detroit Lakes is authorized to have the local sales tax for a community center, and Fergus Falls is authorized to have the local sales tax for Project Reachout a convention and community center. In addition, Hutchinson, Owatonna, Two Harbors, and Winona are all authorized to impose the local sales tax. The proposal for five communities in the St. Cloud area was also adopted. Finally, the proposal for the Rochester sales tax was approved but the projects were limited by eliminating a public safety project contained in the original proposal.

Members also discussed a proposal for flood and tornado relief. The proposal outlines several types of aid for areas of

the state that experienced damage because of the 1997 floods and the Mar. 29, 1998 tornados.

The committee also debated a proposal requiring all corporations created by a county, home rule charter city, statutory city, town, school district, or other political subdivision to report to the Office of the State Auditor by Sept. 1, 1998, information regarding the corporation's background, organizational structure, purpose and receipt and expenditure of public funds in addition to information on public oversight, applicable public laws and other information requested by the State Auditor. State Auditor Judi Dutcher testified that her office was having difficulty getting such information for corporations created by local units of government.

In addition, members continued their discussion of the senior citizen's property tax referral provision and discussed other outstanding miscellaneous and property tax provisions.

Rebate proposal aired

The Fri., Apr. 3, meeting of the Tax Conference Committee was devoted to proposals and counter-proposals by House and Senate conferees centering on property tax rebates and reform.

Lead Senate negotiator, Sen. Douglas Johnson (DFL-Tower) said that the Senate conferees were willing to compress property tax rates for businesses in one year, rather than the two years in the Senate bill, if the plan avoids shifting the tax burden onto homeowners, farmers and small businesses. "The Senate's overriding goal is property tax relief and reform," Johnson said.

Johnson also said that the Senate offer has made significant movement toward the governor and the House positions on a property tax rebate. The Senate plan provides for a \$392 million property tax rebate, \$400 million for property tax reform and \$110 million for other property tax, income and sales tax relief. Johnson said the House position on the rebate was too high and that there is a need for more resources for permanent property tax relief.

Chief House negotiator, Rep. Dee Long (DFL-Mpls.), said that the House plan called for \$750 million in property tax rebates. Both Long and Johnson said that there was a great deal to be done in order to reach a workable compromise.

Conferees also spent time discussing other unresolved property, sales and income tax issues contained in the omnibus bills. Sen. Linda Scheid (DFL-Brooklyn Park) appeared before the panel to present a provision designed to provide an affordable housing reduction in property tax rates if apartment owners improve their building and commit to keeping rents affordable. She said the provision would aid in keeping low income housing available. Members took no action on the provision but did adopt a number of non-controversial provisions.

TIF proposals adopted

The Mon., Apr. 6, Tax Conference Committee meeting was marked by more negotiation on the property tax rebate and reform issue and by adoption of provisions relating to tax increment financing.

A subcommittee of the full conference committee developed the recommendations relating to tax increment financing. Members of the conference committee, chaired by Rep. Dee Long (DFL-Mpls.), adopted the subcommittee recommendations. The members adopted a provision allowing three counties, rather than all counties, to establish economic development authorities. Under the provision, Meeker, Kittson and Blue Earth have the authority to establish EDAs. Members also adopted a Senate provision outlining requirements for TIF reporting to the State Auditor. In addition, members adopted a provision that clarifies the manufacturing facility exception to the prohibition against using TIF for lands formerly enrolled in the green acres, open space or agriculture preserves program to include space necessary and related to the manufacturing facility. An amendment, establishing a wage floor for distribution centers was also adopted.

A provision specifying that the county auditor must decertify a TIF district at the earliest time when any of the duration limits or decertification events specified in current law have occurred or upon receipt of a request for decertification from the authority was also adopted. Members also adopted provisions dealing with penalties and the disposition of penalties. The TIF recodification task force was extended until May 1, 1999, under another provision adopted by the panel.

Members also adopted TIF proposals

for specific communities. A TIF proposal for the city of Foley for a wastewater treatment facility was approved. Members also adopted language for a Minneapolis TIF district on Lake Street at the location of the old Sears building. Another provision deems the certification date for the addition of specified parcels to a TIF district in the city of Renville to be Nov. 1, 1994 and sets the net tax capacity of the parcels at \$432. A TIF proposal for West St. Paul for the Signal Hills redevelopment project was also adopted. In addition, a proposal exempting a TIF district in Browerville from the restrictions limiting the percentage of increments that may be spent outside of the district was adopted. Finally, members also adopted provisions relating to TIF districts in Deephaven, Golden Valley and Garrison.

Late night negotiations on the part of the conference committee chairs and the House and Senate leadership resulted in a breakthrough on the property tax proposals for the omnibus bill.

Under the agreement, about \$500 million is earmarked for property tax rebates with some additional financing for income-based property tax relief (circuit breaker) and approximately \$400 million is designated for permanent property tax rate relief and sales and income tax changes. The compromise also provides for a one-year compression of tax rates for businesses.

Plan reviewed

Members of the Tax Conference Committee met Tues., Apr. 7, to consider news that the governor planned to veto the agreement reached the night before. The agreement provides \$500 million in property tax rebates, \$400 million in permanent property tax reform and the compression of tax rates for businesses in one year. Lead Senate negotiator, Sen. Douglas Johnson (DFL-Tower) said that he thought the agreement had been reached, but news of the governor's press conference earlier in the day indicated that there was no agreement.

Johnson suggested that the members proceed and finish the bill by midnight. Rep. Dee Long (DFL-Mpls.), chief House negotiator, said that the conferees had asked repeatedly in recent days for meetings with the governor but had not been successful.

Members discussed the conference committee plan and tried to determine if the rate compression was going to shift the property tax burden onto homeowners and farmers. In addition, members said that they were concerned about the effect of fiscal disparities on the inner cities of Minneapolis and St. Paul.

The conference committee recessed periodically for meetings with House and Senate leadership and representatives of the administration.

Late Tuesday night a new compromise plan was agreed upon. Under the plan, about \$1.1 billion will be returned to taxpayers in the form of rebates and rate reductions. The compromise designates \$500 million, in property tax rebates. The rebates will amount to about 20 percent for homeowners. However, unlike the last round of rebates, the plan specifies a rebate limit of \$1,500. For Minnesota renters the rebate will equal about 3.8 percent of their annual rent. The compromise plan also provides for \$427 million in permanent property tax rate reductions for almost all classes of property, particularly businesses and apartments.

A key part of the compromise is outside the purview of the Tax Conference Committee. Legislative leaders agreed to a proposal for a St. Paul Hockey arena for the Minnesota Wild. The agreement opened the way for the compromise tax proposal to be developed.

Tax compromise okayed

The members of the Tax Conference Committee met for the final time Weds., Apr. 8, to sign off on the compromise version of the omnibus tax bill.

The two chairs, Sen. Douglas Johnson (DFL-Tower) and Rep. Dee Long (DFL-Mpls.), both said that the bill is a good compromise between the House, the Senate and the administration. Long said that the real winners under the compromise plan are the taxpayers of Minnesota. Johnson added that he was particularly pleased because the plan sets the stage for more income tax relief in 1999. Johnson said, "This is a good compromise, a bipartisan agreement that protects homeowners and farmers."

The bill sets aside \$500 million for property tax relief, provides for \$400 in permanent property tax reform and

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dedicates the first \$200 million of future surpluses for further tax cuts. The next \$400 million in future surpluses are earmarked for cash payment of construction projects.

Other provisions of the measure authorize several cities to impose one half cent sales taxes for specific projects; conform to federal tax laws including provisions relating to Roth IRAs and Education IRAs; increase the working family tax credit for people making the transition from welfare to work; and reduce taxes on charitable gambling operations. The measure does not contain proposals for a state higher education tax credit.

Members tied up a few loose ends at the final hearing. An amendment, providing for a \$10 million appropriation for low income housing, was adopted. The provision had been in another bill that was vetoed by the governor.

The bill was then approved and sent to the House for repassage.

Friday, April 3

Bills receive final passage

The first portion of the floor session Fri., April. 3, was devoted to considering several bills for final passage including one relating to electric utilities.

S.F. 3654, authored by Sen. Steven Novak (DFL-New Brighton) modifies membership of the Legislative Electric Energy Task Force and requires a comprehensive study of electric industry restructuring. Novak said the bill will allow the Legislature to make better informed decisions on the issue. "The federal government may deregulate the industry nationally and Minnesota should be prepared," Novak said.

Novak said the 15 member board lapses in 2000 and will examine issues including power systems, price protections, universal service, information disclosure, and consumer protection. He added that the Legislature does not need to pass a law immediately, but rather needs to listen to the groups involved about what they want the system to look like in the future. The bill was granted final passage on a 60-0 roll call vote.

S.F. 2592, carried by Sen. Janet Johnson (DFL-North Branch), is the MnDOT house keeping bill. The bill reapportions the net highway user tax distribution fund, creates the flexible

highway account for trunk highways or for restoration of former truck highways that have been turned back to cities or counties, and reduces the amount of the county turnback account that must be expanded on town road bridges and town road culverts.

Sen. Dallas Sams (DFL-Staples) offered an amendment relating to unprocessed dairy markets. Sams said under current law dairy producers are limited to transporting products not more than 25 miles to reach processing facilities. He added that the limit is no longer applicable because farmers must travel much farther to reach processing facilities. Sams added that the amendment extends the limit 75 miles to help dairy farmers. The amendment was adopted and the bill was granted final passage on a 57-0 roll call vote.

S.F. 2099, carried by Sen. Leo Foley (DFL-Anoka), lowers the legal blood alcohol level for drivers to .08 percent. The bill was being returned from the House with amendments Foley moved that the Senate concur with the House amendments. Novak made a higher order motion that the senate not concur with the House amendments and appoint a conference committee instead. Novak said the Senate should not concur because an important amendment that was adopted in the Senate after a long debate was not offered in the House. Foley said the bill should be restored to the form it came to the Senate floor in and should be allowed to rise and fall on its merits. The motion to appoint a conference committee was approved on a 37-26 roll-call vote.

H.F. 2708, carried by Sen. Dennis Frederickson (R-New Ulm), changes the agriculture marketing and bargaining act. Frederickson moved that the Senate adopted the conference committee report. He said the conference committee report is in the form that the bill originally passed the Senate. The bill was granted final passage on a 61-0 roll call vote.

Major appropriation bills passed

Conference committee reports on two of the major spending bills, the omnibus environment and agriculture supplemental appropriation bill, S.F. 3353, and the omnibus economic development and housing bill, S.F. 3367, were passed by

the Senate during the latter portion of the Fri., Apr. 3, floor session. In addition, the Senate also passed the conference committee reports on S.F. 2718, a bill that makes changes to the Telephone Assistance Plan, and S.F. 2586, a bill that makes changes to the sex offender registration laws.

Sen. Steven Morse (DFL-Dakota), chief Senate conferee on S.F. 3353, said that the compromise package met the target appropriation of \$17.243 million, which he said is about \$1.5 million below the governor's recommendation for the affected agencies. The bill appropriates \$350,000 for administration of the county feedlot permit grant program; \$50,000 to study bioaccumulative residues in fish; \$180,000 to administer the wastewater infrastructure program; \$50,000 to study a cost-benefit model analysis of water quality standards; \$375,000 to study deformed frogs; \$300,000 for issuing federal Clean Water Act permits to feedlots with more than 1,000 animals units; and \$85,000 to Benton County for environmental response costs to the Pollution Control Agency. In addition, the package appropriates \$1.5 million to the Minnesota Zoo.

Under the bill, the Dept. of Natural Resources (DNR) is slated to receive \$1.504 million for flood hazard mitigation grants; \$150,000 to transfer to the Minnesota Forest Resources Council for implementation of the Sustainable Forest Resources Act; \$476,000 to seal abandoned wells on state-owned land; \$430,000 for state park building operations; \$250,000 for Re-Invest in Minnesota (RIM) critical habitat matches; \$180,000 in FY 98 and \$120,000 in FY 99 for white pine management activities; \$370,000 in FY 98 and \$230,000 in FY 99 for repairs to state forest camping facilities; \$250,000 for RIM operational costs; \$470,000 in FY 98 and \$250,000 in FY 99 for interpretation, management and monitoring of scientific and natural areas and prairie banks; \$340,000 to acquire and develop greenways and natural areas in the Metro Area; \$300,000 to acquire, develop and improve state trails; and \$250,000 to construct a state trail bridge over Highway 36 in North St. Paul.

The bill also appropriates to the DNR \$500,000 for stream protection and restoration, \$300,000 of which is for

Brown's Creek in Washington County; \$53,000 for minerals cooperative environmental research; \$75,000 to repair state forest land; \$100,000 for improvements at the Swan Lake Wildlife Management Area; \$1.175 million for wildlife habitat improvement; \$100,000 to develop an urban whitewater trail in the Mississippi River below St. Anthony Falls; \$100,000 to construct a surface water drainage system in Linwood Township in Anoka County to control water pollution; \$200,000 for the statewide conservation partners program; \$215,000 in FY 98 and \$250,000 in FY 99 to improve customer service and data access provided by the DNR; \$350,000 to dredge sediment out of the Mississippi River at Little Falls; and \$203,000 in FY 98 for a forestry information management system.

Additionally, the package appropriates to the DNR \$35,000 in FY 98 and \$115,000 in FY 99 for expansion of the "Becoming an Outdoors Woman" program and to coordinate the development of shooting ranges; \$50,000 in FY 98 for ecosystem-based management workshops; \$200,000 for aquatic plant restoration; \$125,000 for local initiative grants administration; \$150,000 for long term monitoring of lake ecosystems; \$100,000 for an enhanced lake classification system; \$200,000 for a lake watershed boundary identification; \$150,000 to develop methodologies to study the effect of development on lakes; \$100,000 for improvements at Swede Hollow Park; \$50,000 in FY 98 and \$50,000 in FY 99 for a project with the University to develop architectural landscape strategies to mitigate brownfields; and \$25,000 to promote the RIM license plate program. The DNR also receives \$450,000 from the water recreation account for personal water craft law enforcement and safety education.

The bill also appropriates \$1.4 million to the Board of Water and Soil Resources -- \$200,000 in FY 98 for the quad lakes restoration project in Faribault and Blue Earth Counties; \$1 million for feedlot water quality management grants; \$100,000 in FY 98 to the University Extension Service to improve existing guide books; and \$100,000 to plant vegetation to act as a "living snowfence" to prevent snow deposition on public transportation routes.

Under the bill, the Dept. of Agricul-

ture receives \$2.479 million. Of that amount, \$110,000 in FY 98 and \$250,000 in FY 99 are for efforts to control gypsy moths in Minnesota; \$25,000 in FY 98 and \$325,000 in FY 99 are for state meat inspection programs; \$75,000 is for the WIC coupon program; \$25,000 is for livestock degradation claim payments; \$50,000 is for beaver damage control grants; \$100,000 is litigation to reform the federal milk market order system; \$500,000 is for the dairy diagnostics teams programs; \$267,000 is to expand the Minnesota Grown program to improve low income families' access to Farmers' Market produce; \$160,000 is for grants to cooperatives for processing and marketing agricultural products; \$125,000 is for a grant to Market Champ, Inc. to make high quality swine genetics available to family farmers; \$25,000 is for the Passing on the Farm Center; \$200,000 is for a revolving loan program to fund manure processing demonstration projects; \$50,000 is to study effective alternatives to pasteurization for fruit juices; \$25,000 in FY 98 is to study best management practices to reduce livestock degradation by timberwolves; \$60,000 is for costs associated with assistance provided by the Office of Attorney General to help local governments adopt feedlot regulations; and \$107,000 is for a program to license commercial manure applicators.

Other appropriations in the bill include \$292,000 to the University of Minnesota for alternative and sustainable hog production facilities and programs; \$30,000 in FY 98 and \$160,000 in FY 99 to the Board of Animal Health to control John's disease; \$50,000 to the Dept. of Administration from the water recreation account to study the amount of fuel consumed by watercraft; and \$300,000, also to the Dept. of Administration, to assist the DNR with Year 2000 computer problems.

Morse highlighted some of the more controversial policy provisions over which the conference committee wrestled, including regulations on steel snowmobile studs. He said that current law bans the studs on paved state trails, however \$1.5 million in damage was inflicted on state trails over the course of last winter through violations of that ban. In addition, a county trail in Chisago County was destroyed by the studs. Going into the conference, Morse said

the House proposed a stud ban for all public lands, whereas the Senate proposed a ban on paved trails and roadways. In the compromise that was reached, Morse said, the snowmobile studs will be allowed for one year, but only for use off of paved trails. Those who wish to equip their snowmobiles with the studs must purchase a special \$50 "stud sticker" to display on their sled. Morse said that for violations, a citation will be issued for the first offense, but the machine can be confiscated for the second offense.

Criticism of the confiscation provision was voiced by Sen. Kenric Scheevel (R-Preston). Scheevel said that the part of Minnesota he represents is hilly and the studs are necessary for snowmobile use. He said that the machines can cost as much as \$6,000, and that confiscation goes too far.

A lengthy floor discussion centered around the most contentious issue tackled by the conference committee -- the regulation of feedlots. Sen. Dallas Sams (DFL-Staples), a Senate conferee, said that the agreement was "very proactive, very progressive." He said that under the compromise agreement, the feedlot permitting process can be done in a timely manner with public review and comment. Another Senate conferee, Sen. Steve Dille (R-Dassel), said that the most attractive feature of the agreement is that there is no moratorium. He said it is a broad program designed to help as many different types of producers as possible, but added that he didn't like the fact that 700 feedlots must undergo the permit process prior to January 1, 2001.

Criticism for the accord came from Sen. Charles Berg (IND-Chokio). Berg said that the agreement impedes the permitting process for larger, more up-to-date facilities and "puts the final nail in the coffin for smaller producers." Berg added that the bill is "not better than no bill at all." Dille countered Berg's claim, saying that most producers qualify for the general permit under administrative rules and only about 5 percent of producers will need to go through the individual permit process. Dille said that the program will assist small producers whose facilities don't meet regulations to come into compliance. Sams said that money is available to help the small producers with compliance problems, and added that if the bill is not passed, there will be a moratorium.

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Sen. Linda Runbeck (R-Circle Pines) inquired about another high-profile issue, personal watercraft. Morse said that under the agreement, a \$50 fee will be charged for a three year license, and the revenues from the fee will go toward safety education and law enforcement. At the conclusion of the discussion, the Senate passed the conference committee report on a 44-16 roll call vote.

The Senate next considered the omnibus economic development and housing bill. Sen. Tracy Beckman (DFL-Bricelyn), sponsor of the bill and chief conferee in the conference meetings, outlined several provisions in the bill. The bill appropriates \$6.21 million to the Dept. of Trade and Economic Development (DTED). Of the amount, \$100,000 is for grants to local screenwriters to promote filmmaking in Minnesota; \$900,000 is for increased tourism marketing; \$50,000 is to study the feasibility of locating a "Great Rivers of the World" aquarium in St. Paul; \$3.3 million is for a film production revolving loan fund to administered by the Minnesota Film Board; \$200,000 is for the Duluth Technology Center; \$60,000 is to catalog the Chatfield Brass Band Library and set up a world wide web site for the library's collection; \$90,000 is to promote entrepreneurship in the poorest neighborhoods of Minneapolis and St. Paul; \$50,000 is for grants for public art in St. Paul; \$250,000 is to relocate the University of Minnesota Centennial Showboat to Harriet Island; \$50,000 is to study relocating the St. Paul Farmers' Market; \$15,000 is for the Smithsonian's Great River of Song promotion and Great River Road Ramble and \$50,000 is to produce the River of Song project; \$800,000 is to develop a closed-loop biomass power generator at Granite Falls; \$200,000 is for accessibility improvements to the Fairmont Opera House; \$25,000 is to promote heritage chicken breeds; \$10,000 is to Watonwan County for planning a trail system; \$10,000 is to plan for a joint commercial and business park between Wyoming and Chisago City; and \$50,000 is for a circulator vehicle in Hennepin County to promote urban tourism.

The bill appropriates \$170,000 to fund two business information and technology centers, one at Metropolitan State University and one to be located in Greater Minnesota, and \$30,000 to

develop educational interactive television in Fairmont to Minnesota Technology, Inc. The bill also appropriates \$155,000 to retire the debt of the Minnesota World Trade Center.

Under the bill, the Dept. of Economic Security is scheduled to receive \$1.4 million to upgrade the State Services for the Blind communications center and the Radio Talking Book program; \$1 million for rehabilitation services; \$200,000 to maintain the department's regional job market analysis operation; \$160,000 to administer the alien labor certification program; \$750,000 for youth intervention programs; \$400,000 for the Youthbuild program; \$3.2 million for summer youth employment programs; \$250,000 for grants to programs that encourage and assist women pursuing non-traditional careers; \$650,000 for extended employment training for welfare-to-work programs; \$200,000 for a school to work electronic linkage pilot project; \$126,000 to assist people with developmental and mental health problems find employment; \$600,000 for the displaced homemaker program; \$300,000 for the centers for independent living; and \$74,000 for a wage rate study of jobs created with state subsidies.

In addition, the bill appropriates a total of \$20.135 million to the Housing Finance Agency. Of that amount, \$13 million is for the affordable rental investment fund; \$1 million is for the family homeless prevention program; \$5 million is for the community rehabilitation program; \$70,000 is for home ownership counseling for persons with developmental disabilities; \$1 million is for rental assistance for persons with mental illness; \$65,000 is for nonprofit capacity building grants; and \$65,000 is for assistance to find housing for people with chemical sensitivity. In addition, the bill raises the ceiling limit for the agency's administrative costs by \$667,000 in FY 98 and \$1.6 million in FY 99.

Under the bill, the Dept. of Commerce receives \$22,000 for the mortgage originator and servicer regulation program and \$125,000 for the healthy homes project. The department also receives \$150,000 from the contractor's recovery account to provide information to consumers on residential construction issues and to assess the performance of new building materials in meeting current and proposed energy codes.

The bill provides a \$100,000 appropriation to the Dept of Labor and Industry to develop an employee rights brochure, and a \$40,000 appropriation to the Bureau of Mediation Services to assist with the development and review of community-based plans. The bill also adds \$204,000 in FY 98 and \$189,000 in FY 99 to the budget base of the Public Utilities Commission for utility regulation. The bill also provides \$130,000 to the Dept. of Public Service for electric industry regulation planning and analysis, and \$250,000 to the Metropolitan Council for corridor planning pilot projects.

The bill appropriates to the Minnesota Historical Society \$686,000 for salary increases; \$50,000 to restore a church in Faribault; \$100,000 for a grant to the Lake Superior and Mississippi Railroad; \$75,000 for the Hmong history and culture archival project; \$50,000 to refurbish the Fridley Historical Museum; \$50,000 for a grant to the Winona County Historical Society for a technology upgrade; \$40,000 for a grant to Metropolitan Multitype Library Consortium; and \$50,000 to restore Civilian Conservation Corps buildings at Camp Rabideau.

The measure also appropriates \$75,000 to the Council on Black Minnesotans to plan and coordinate observances of the Martin Luther King, Jr. Holiday and \$80,000 to the Indian Affairs Council to fund the 50th annual conference of the Interstate Indian Council. Appropriations are also made in the bill to the Dept. of Administration for capital improvements at the Laura Ingalls Wilder facility in Walnut Grove for \$50,000; Central Avenue streetscape improvements in Columbia Heights for \$100,000; and design work for a storm sewer system in the city of Stewart for \$100,000. In addition, the bill appropriates \$50,000 to the Center for Rural Policy and Development and \$75,000 to the DNR for a grant for a St. Croix Valley Heritage Center.

Sen. Linda Higgins (DFL-Mpls.) asked what changes the bill made to unclaimed property provisions. The answer came from Sen. Steven Kelley (DFL-Hopkins) who sponsored the Uniform Unclaimed Property Act which comprises the second article of the package. Kelley said that the bill exempts gift certificates with expiration dates from the definition of unclaimed property. In addition, Kelley

said, a gift certificate valued at \$50 or less, or issued by a retailer who issued less than \$15,000 in gift certificates the previous year, is exempt from the definition. Kelley added that the provision doesn't change the administrative procedure for proving ownership of unclaimed property. The bill was granted final passage on a 41-12 roll call vote.

The Senate also passed the conference committee report on a bill sponsored by Kelley. He said that the report on S.F. 2718, the telephone assistance plan (TAP) bill, underwent 5 significant changes from when it left the Senate. Included in the changes, Kelley said, are provisions imposing the TAP surcharge on cellular phones, but delaying imposition until July 1, 1999. Another difference, Kelley said, is that eligible households will not be automatically enrolled in the program. Instead, Kelley said, they will be automatically notified of their eligibility but they must still submit an application. Kelley added that the TAP surcharge will be adjusted to adequately fund the program, but is capped at 10 cents per line. Scheevel asked if a household could qualify for the subsidy on more than one line per household. Kelley said that there is a subsidy limit of one line per household. The bill passed on a 35-19 roll call vote.

The conference committee report on S.F. 2256 was also passed by the Senate. Sen. John Marty (DFL-Roseville), sponsor of the election law measure, said the House acceded to a Senate provision dealing with sex offender voting rights, and the Senate gave up on a provision providing a defense from prosecution for not including a disclaimer on independent campaign materials. The bill passed on a 51-0 roll call vote.

Sen. Randy Kelly (DFL-St. Paul) presented the conference committee report on S.F. 2586. He said that the bill fine tunes the sex offender community notification law. Kelly said that before going to conference on the bill, Morse added an amendment allowing the law enforcement agency that charged the offender to be present at the end-of-confinement risk assessment hearing. Kelly said that under the conference report, the law enforcement agency that brought the charge against the offender may submit written material to be considered at the hearing. S.F. 2586 was repassed on a 55-0 roll call vote.

Monday, April 6

Procurement bill approved

The conference committee report relating to the state agencies procurement process was approved for re-passage in a brief floor session, Mon., Apr. 6. Sen. Leo Foley (DFL-Anoka) also presented a resolution, which was adopted, commemorating the lives of deceased Senators.

Sen. David Knutson (R-Burnsville) presented the final version of the state government procurement bill, S.F. 726, a bill that modifies the state procurement process, and authorizes rulemaking.

Much of the discussion centered on a provision of the bill that modifies contract and acquisition procedures to provide for a "best value" consideration, rather than awarding contracts based solely on the lowest bid. The bill states that all decisions involved in the acquisition process, unless otherwise provided for by law, shall be based on the best value, which may include an evaluation of price and other criteria such as environmental considerations, quality, and vendor performance. Sen. Edward Oliver (R-Deephaven) said he had received many calls and letters from interested parties who were concerned about the new bidding process. Knutson also acknowledged construction industry concerns but said, "This bill is intended to give Minnesota's taxpayers the best value for the service or product to be procured and allows other factors, such as customer service, to be included in the competitive bid process."

Sen. Linda Runbeck (R-Circle Pines) said she had heard from constituents who were concerned about the potential for abuse by a purchasing agent who may have an inappropriately close relationship with a vendor and asked about appeals process provisions in the bill. Knutson replied that the bill does not change the appeals process, but instead changes the criteria under which state agencies accept competitive bids. He added that he believed the public nature of bidding process inhibits abuse by parties. Sen. Deanna Wiener (DFL-Eagan) expressed her support for the best value provision of the bill. The conference committee report was adopted and the bill was granted re-passage on a 53-6 roll call vote.

Earlier in the session, Senators adopted

a resolution commemorating the contributions and public service of four deceased Senators--the Honorable Marvin Anderson, Philip Duff, John Keefe and Stanley Thorup.

Wednesday, April 8

Health, Higher Ed bills passed

Senators passed the conference committee reports on several bills during the Wed, Apr. 8, floor session including the omnibus health and family security supplemental budget bill, S.F. 3346, and the omnibus higher education supplemental budget bill, S.F. 3297.

Sen. LeRoy Stumpf (DFL-Thief River Falls) opened the floor session with a review of the conference committee report on the higher education omnibus bill. Stumpf said the total appropriation of \$73 million was an historic event and sent a message about the Legislature's commitment to higher education. He said the bill's funding provides a significant financial aid package to students by reducing the student share of costs from 50 to 47 percent, adds \$1.5 million for work study to help students who need additional income, allocates \$36 million to both the Minnesota State Colleges and University (MnSCU) and University of Minnesota systems, and includes \$6.5 million for an equipment base adjustment fund to update and replace equipment. He said the bill also includes initiatives relating to student and faculty development, and \$10 million to fund a business/industry initiative involving MnSCU and Northwest Airlines to train technicians in the refurbishment of planes. He added that the bill also addresses Minnesota's agricultural needs by allocating \$3.6 million for an agricultural outreach program and \$3 million for a renewable natural resource industries program. On the policy side, Stumpf said the bill changes the definition of half-time enrollment to expand eligibility for students who wish to participate in work study and child care programs. In closing, he thanked Senate and House conferees for their hard work and worthwhile efforts.

Sen. Dave Kleis (R-St. Cloud) rose in support of the bill. He said the bill was a "good and balanced bill" that evenly divided funding between the two higher education systems. Sen. Sam Solon (DFL-Duluth) said, "this bill stems the

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tide of ignoring higher education budget needs." Sen. Deanna Wiener (DFL-Eagan) said she was proud to have served on the conference committee and added that it was the first time the state has dedicated funds to higher education in a supplemental budget.

Sen. Steve Kelley (DFL-Hopkins) expressed his concern over several provisions dealing with a results-based review of the business initiatives and aid to students with non-traditional schedules. Stumpf said that he agreed with Kelley's concerns and that he hoped that leaders in the higher education institutions would develop more stringent reviews and adjust aid allocation formulas to allow for consideration of more students who follow non-traditional course schedules. The Senate then adopted the conference committee report and re-passed the bill on a 66-0 roll call vote.

Sen. Don Samuelson (DFL-Brainerd) presented the health and family security omnibus bill, S.F. 3346. He said the bill allocates a total of \$58 million to a variety of programs and includes \$130 million in future fiscal tails. He added that he could not leave the Legislative session without providing for a cost-of-living allowance increase for health care and nursing home workers. The bill provides a 3 percent COLA which takes effect July 1, 1998. Samuelson said the bill also provides funding for changes in Medical Assistance eligibility for the elderly and disabled, food stamps for legal non-immigrants, transitional housing increases, crisis nursery development, a chemical dependency program, and a temporary kidney transplant drug program. The bill also appropriates \$5 million for Fetal Alcohol Syndrome prevention grants and \$1.2 million for breast and cervical cancer screening programs.

Samuelson did not sign the conference committee report and said, "All of you know why I did not sign. I have never voted against a health and human services bill, but sometimes you have to stick to your own feelings and values. This was a very difficult decision."

Debate followed over a House partial-birth abortion provision that was deleted from the final omnibus bill. Sen. Thomas Neuville (R-Northfield) moved that the Senate not concur in the bill, reject the conference committee report,

and appoint a new conference committee.

Sen. Sheila Kiscaden (R-Rochester) reviewed the work the committee had done to find a compromise solution and said, "I do not know how anyone can resolve this dilemma if the sponsoring organization and the Legislative authors of the provision are unwilling to find middle ground. I urge members to consider the millions of federal dollars lost for child welfare and health programs if we do not adopt a supplemental budget this year." Sen. Becky Lourey (DFL-Kerrick) said, "It is a sad day when Sen. Samuelson, who has worked so hard on this bill, is held hostage by one issue." The Neuville motion failed on a 33-34 roll call vote and the bill was granted re-passage on a 48-19 roll call vote.

Sen. Ember Junge (DFL-New Hope) then presented the conference committee report on S.F. 2407, a bill establishing a graduated driver's license system. She said the bill establishes youth-oriented driver clinics for those 18 and under. Drivers with a learner's permit must have a driving record free of crash-related and driving-while-intoxicated moving violations--and no more than one conviction for non-moving violations--in order to move to the next level to receive a permanent license. She said House provisions new to the Senate bill include a section stating that young drivers with records free of violations receive a \$3.50 credit toward the driver's license fee. Another provision allows for a firearm safety designation on the permanent driver's license. Junge said the effective date of the bill was changed to 1999 in order to give state agencies more time to implement the new system. In closing, Junge said, "This bill is a very important step forward in saving teenage lives and saving lives on our highways." The conference committee report was adopted and the bill granted re-passage on a 39-25 roll call vote.

S.F. 2645, presented by Sen. Charles Wiger (DFL-North St. Paul), a bill modifying requirements for certificates of compliance for affirmative action plans by certain contractors, re-passed on 65-0 roll call vote.

Sen. Dave Knutson (R-Burnsville) presented the conference committee report on S.F. 726, a procurement reform bill. Knutson said a second round of conference committee meetings had

removed building and construction contracts from the best value concept section of the bill. The conference committee report was adopted and the bill was granted re-passage on a 61-2 vote.

S.R.101, a Senate resolution supporting the admission of the Baltic States of Estonia, Latvia, and Lithuania to the North Atlantic Treaty Organization, generated debate about the appropriateness of the Legislature passing foreign policy resolutions. Sen. Allan Spear (DFL-Mpls.) said, "We should think more seriously about adopting foreign policy resolutions. I wonder how many of us know enough about the foreign policy implications involved in the matter to vote thoughtfully and knowledgeably on these issues." Sen. Dave Johnson (DFL-Bloomington) said, "The non-binding nature of the resolution is an appropriate way to bring comfort to these ethnic communities and to let Washington know how our constituents feel about the issue." The resolution was adopted on a 37-18 roll-call vote.

Stumpf presented S.F. 3416, a bill clarifying the effect of the economic loss statute on action based upon fraud or misrepresentation. Stumpf said recent court cases, including a case pending summary judgment, had demonstrated to him that the current statute needed clarification. Stumpf said he was the author of the bill adopted in 1991 that was drafted to deal with economic loss derived from negligence or strict liability claims. He said lawyers and courts were now interpreting the broad language in the original bill to bar tort causes of action based on fraud, which was not his original intent. Sen. Don Betzold (DFL-Fridley) said he was nervous about impacting a pending court case and offered an amendment, which was defeated, to delete the effective date. Many Senators then debated the issues of legislative intent, the sense of urgency granted to the bill, and the impact of effective dates.

Stumpf and Sen. Steve Kelley (DFL-Hopkins) offered amendments, which were adopted, to clarify the legislative intent and to make the bill retroactive to 1991, respectively. The bill was passed, as amended, on a 51-11 roll call vote.

Sen. Jane Ranum (DFL-Mpls.) said, "It makes me profoundly sad that special treatment should be given to this bill,

which was presented on behalf of a powerful business interest and its sophisticated legal representation, when the same sense of urgency is not given to bills that provide relief and funding to our young children. Apparently there is time and surplus money for hockey arenas and baseball stadiums, but not for the women and children of Minnesota. Our actions will speak louder than words--our Legislature has not been fair and just in how it provides for the most vulnerable members of our society."

Finally, the conference committee reports on S.F. 161, presented by Wiener, and S.F. 41, presented by Sen. Bob Lessard (DFL-Int'l Falls), were adopted. Wiener's bill proposes a constitutional amendment to abolish the office of state treasurer and passed on a 63-2 roll call vote. Lessard's bill proposes constitutional amendment affirming the right of citizens to hunt/ take fish and game and passed on a 57-8 roll call vote.

Thursday, April 9

PWC bill repassed

In addition to acting on the tax conference committee report, the Senate also acted on several other conference committee reports and motions to concur and repass bills amended by the other body during the earlier portion of the Thurs., Apr. 9, final day of session.

The committee report on S.F. 2351, sponsored by Sen. Jim Vickerman (DFL-Tracy), a bill that makes additions and deletions to state parks and recreation areas was adopted. Vickerman said that the conference report changes a provision regarding the Garden Island recreation area in Lake of the Woods County. The provision now prohibits the Dept. of Natural Resources (DNR) from making any new restrictions on the area's use without legislative approval. The bill was repassed on a 62-0 roll call vote.

Members also adopted the conference committee report on S.F. 1169, the personal watercraft (PWC) bill, sponsored by Sen. LeRoy Stumpf (DFL-Thief River Falls). Stumpf said the bill is similar to the bill passed by the Senate, but with some additions. He said the bill authorizes a youth watercraft safety program for 13-18 year olds. Stumpf said the program will be administered by the DNR, and is similar to the snowmobile safety education program. Stumpf said

that the state wants PWC users to be knowledgeable and courteous, and other states have found that education is key to changing behavior. In addition, Stumpf said, the bill changes the start time for allowed PWC use to 9:30 a.m. and increases the distance to 150 feet that a PWC user must maintain from other water users. One other change that Stumpf said the conference committee made to the bill was change "maintaining unaided observation" to "must remain under visual supervision" for adult supervision. Stumpf added that the new regulations will become effective June 1 of this year, even though rules and regulations have already been published. He said that the DNR will send a letter to owners of PWCs notifying them of the regulation changes. The bill passed 51-10 on a roll call vote.

The Senate also passed the conference committee report on another bill authored by Stumpf, H.F. 3853, a bill that provides emergency crop insurance assistance for farmers in Northwestern Minnesota. In highlighting the changes made by the conference committee, Stumpf said that the original bill did not have an extension of the farmer-lender mediation program. Stumpf said that there was discussion in the conference about who should run the program, and the House conferees said it should move from the University to the Dept. of Agriculture. However, the committee decided that with an ever increasing volume of mediation, it wouldn't be wise to move the program. The bill also adds Wilkin County to the list of counties qualifying for the assistance and gives the Agriculture commissioner authority to deal with the red flour beetle infestation in North Minneapolis. Stumpf said that the beetles are drawn to the area by grain elevators. The bill passed on a 66-0 roll call vote.

The Senate also passed the conference committee report on a bill containing several provisions for the city of Minneapolis, S.F. 2346, carried by Sen. Carol Flynn (DFL-Mpls.). Flynn said that the conference committee removed the midtown planning board and repealed the maximum hiring age for firefighters. The bill passed 66-0 on a roll call vote.

The conference committee report on the bill changing the durable health care power of attorney law, S.F. 2050, sponsored by Sen. Ember Junge, arrived on

the Senate floor. Junge said that most of the conference committee's discussion revolved around the issue of a pregnant patient with a health care directive. She said that the Senate language presumed that if the patient had a health care directive and was in the third trimester of pregnancy, attempts would be made to keep her fetus alive. Junge said that provision was recrafted to presume that the woman would want the health care to preserve the life of her fetus even if the health care would not have been provided to her if she were not pregnant. The bill was given final passage on a 47-20 roll call vote.

Other bills receiving final passage from the Senate include H.F. 4970, the omnibus pension bill, carried by Sen. Steven Morse (DFL-Dakota), on a 61-0 roll call vote. In addition, the Senate concurred with House amendments to S.F. 1181, carried by Sen. Roger D. Moe (DFL-Erskine). Moe said that the bill provides for studying the production of industrial hemp in Minnesota. The bill was passed on a 59-1 roll call vote.

The Senate also recalled S.F. 2586 from governor to be reconsidered. Sen. Randy Kelly (DFL-St. Paul), sponsor of the bill, said it is the sex offender community notification bill, but an amendment added to it goes too far. He said that rather than the bill getting vetoed, he would rather recall it and repass more acceptable provisions on a related bill. Sen. David Knutson (R-Burnsville) expressed support for the motion. The motion prevailed.

HHS bill back to conference

After a recess, Sen. Larry Pogemiller (DFL-Mpls.) moved that the Senate concur with House amendments to S.F. 2082, which is a bill that recodifies amendments to K-12 education statutes. Pogemiller said the bill only makes technical changes to existing K-12 statutes and education funding provisions. The motion prevailed and the bill was granted re-passage on a 54-0 roll call vote.

Sen. Steve Dille (R-Dassel) presented the conference committee report on S.F. 816, a bill dealing with animal cruelty and including provisions on animal care standards. Sen. Don Betzold (DFL-Fridley) asked if interest groups dealing with animal cruelty had a chance to express their views on this bill, which

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had been discussed in a conference committee meeting convened only a day earlier. The conference committee report was adopted and the bill was re-passed on a 60-0 roll call vote.

Sen. Janet Johnson (DFL-North Branch) presented the conference committee report on S.F. 2592, the Dept. of Transportation housekeeping bill. Johnson said House conferees had accepted all of the Senate provisions and any new language adopted was not controversial. The report was adopted and the bill was re-passed on a 61-0 roll call vote.

Sen. Don Samuelson (DFL-Brainerd) moved that S.F. 3346, the omnibus health and family security, be reconsidered and the bill be referred back to the previously-constituted conference committee. Samuelson explained that the other body refused to adopt the original conference committee report. He said, though, that efforts were underway to draft compromise language and bring a new conference committee report before the Senate later in the evening. The motion was adopted.

K-12 ed bill passed

The Senate passed the conference committee report on H.F. 2874, the omnibus K-12 education funding bill, sponsored by Sen. Lawrence Pogemiller (DFL-Mpls.), in the evening of the final day of the Legislative session Thurs., Apr. 9.

In presenting the conference report, Pogemiller distributed a spreadsheet detailing the changes in various funding levels to the state's school districts resulting from the provisions adopted by the conference committee. Pogemiller also highlighted various policy provisions in the bill, including a phase in option of the "Profiles of Learning" rule. Pogemiller said the compromise package picks up 50 percent of the litigation costs related to special education. He said the provision creates a disincentive for legal action against school districts. The bill also allows school districts to collect costs associated with providing special education services if the student has insurance that covers the services, said Pogemiller. Other provisions in the bill remove the salary cap for school district superintendents and repeal the State Board of Education, although six months later than the Senate originally set the date.

In terms of expenditures, the bill appropriates \$218 million for educational funding, with \$70.3 million of that going toward the graduation rule. The measure has a fiscal tail of \$113 million, according to Pogemiller. Little discussion followed Pogemiller's presentation. The bill was passed 62-3 on a roll call vote.

Afterward, Sen. Roger D. Moe (DFL-Erskine) imposed a call of the Senate and moved that the Senate recess in order to avoid violating a Senate rule. Upon recess, the Senate took the unprecedented move of welcoming Gov. Arne H. Carlson into the Chamber for a brief statement. Carlson thanked the Senate for their hard work during the legislative session. He said that there have been differences between him and the Legislature, but that is a necessary part of democracy. "The absence of dissent should concern us," Carlson said. Carlson noted that this is his last legislative session as governor.

Following the governor's appearance, the Senate reconvened to consider other legislation. Acting on Special Orders, the Senate took up H.F. 2654, a Dept. of Public Safety housekeeping bill, sponsored by Sen. Dallas Sams (DFL-Staples). Sams said that the bill includes provisions authorizing personalized license plates for pickup trucks; clarifying regulations on the posting of business hours of automobile brokers; specifying procedures for secure reassignment of a vehicle title; and clarifying the penalties that apply for driving while intoxicated under the age of 21.

Most of the debate on the bill centered around an amendment offered by Sen. Carol Flynn (DFL-Mpls.) Flynn said the amendment appropriated money out of trunk highway fund to complete final phase of renovation work in the Transportation Building. Flynn said that the appropriation had been in the capital budget bill, but was removed by the conference committee. Sen. Jane Ranum (DFL-Mpls.) questioned if the constitution allows use of highway fund money for that purpose. Flynn replied that other buildings have been built with transportation dollars. The amendment was adopted, and the bill passed with a 62-0 roll call vote.

The Senate also engaged in a lengthy discussion on Senate Concurrent Resolution 13, authored by Sen. Roy Terwilliger (R-Edina). Terwilliger said that the

resolution is to encourage a diligent effort and sincere and open negotiations with Major League Baseball to keep the Minnesota Twins in Minnesota. He said the resolution acknowledges the value of the Twins, and the desire to build a stadium without the use of general fund money. "We want to continue on that effort," Terwilliger said. An amendment was offered by Sen. John Marty (DFL-Roseville) changing the types of funding that should not be used for a new stadium "general fund" to "public," and asks Major League Baseball to address its problems rather than discuss them. Marty said that the intent of his amendment is to oppose using public money and to ask Major League Baseball to actually fix their problems. The amendment was adopted.

However, discussion soon turned to a bill, also sponsored by Terwilliger, that reached the Senate floor the day before. The bill, S.F. 3081, authorizes the construction of a new open-air baseball stadium and a series of user-fees to pay for it. Sen. Steven Novak (DFL-New Brighton) said "We had a bill here yesterday, but now we have this resolution." and asked why the Senate was not voting on the bill instead. Terwilliger replied that the bill won't pass in the other body, and that the resolution is to encourage discussion in order to find a solution in the 1999 session.

Support for the bill also came from Sen. Dean Johnson (R-Willmar). Johnson said that the bill proposes a 100 percent user financed stadium and said that the Senate is missing an opportunity by not voting on it. But other Senators raised issues about problems with the bill such as the Twins' management not having agreed to the proposal. Terwilliger reminded members that the resolution was before them, and not the bill. He successfully offered an amendment clarifying that a public stock offering was to ensure local ownership and control of the team. The resolution was adopted on a 61-0 roll call vote.

New HHS report repassed

The Senate then considered the conference committee reports on the health and human services and bonding bills. A new conference report on S.F. 3346, authored by Sen. Don Samuelson (DFL-Brainerd), the health and human

services omnibus bill was presented to the body. The bill appropriates money and changes provisions for long-term care and health-care programs and provisions, including MA and GAMC, MinnesotaCare, welfare reform, work first, compulsive gambling, child welfare modifications and child support, and regional treatment centers. The bill also provides for administrative penalties and the recording of abortion data.

Samuelson noted that much of the conference committee's discussion focused on partial-birth abortion reporting issues, and the bulk of the bill had been agreed to days ago. He noted that the most significant section of the committee report, different from provisions in the original conference committee report, relates to an article dealing with the abortion reporting issues.

Sen. Sheila Kiscaden (R-Rochester) said that a new compromise agreement had been reached and that all interested parties, if not supportive at least did not oppose the bill. Kiscaden said that the original language offered on the House side relating to the abortion reporting wasn't language the Senate conferees could accept. She said that the conference committee was finally able to reach an agreement on the wording for the reporting, noting that physicians will have to ask why an abortion is requested. She said the patient's answer is voluntary. Other provisions, she said, relate to how the abortion is paid for, reporting abortion complications, and setting a timeline for reporting.

"This is a good faith effort to find a middle ground on the issue," said Kiscaden.

Sen. Leonard Price (DFL-Woodbury) asked what guarantees of patient privacy are offered under the reporting provisions. Kiscaden said that under current Minnesota law people already have the guarantee of privacy. She said that the physician's and patient's name are not on the reports, only data on the procedure undertaken.

The motion to pass the conference committee report prevailed, and the bill repassed 64-2.

The Senate then took up the conference committee report for H.F. 3843, the capital bonding bill. Carried by Sen. Keith Langseth (DFL-Glyndon), the bill authorizes spending for public purposes, for acquiring and bettering public land

and buildings, and other public improvements of a capital nature. The proposal also contains a financing plan for the RiverCentre Hockey Arena in St. Paul.

Langseth said that the original Senate version spent \$970 million, and the conference committee recommends a total of \$999 million. He noted that the totals for both the House and the Senate proposals, if they were added together, spent a total of \$1.3 billion. Langseth compared the process of reducing the bill's appropriations to "putting a size 10 foot into a size 7 shoe. It was possible, but very painful."

Sen. Linda Berglin (DFL-Mpls.) discussed provisions in the bill relating to community centers. She said that the committee added some additional community centers to the bill that were in the House version but not in the Senate version.

Sen. Linda Runbeck (R-Circle Pines) said that the bill before the members was the largest bonding bill ever before the body, and that a no vote would be very appropriate.

Neuville also said that he was going to vote against the bill. "Even though I support higher education, the cost of borrowing money right now is negligible, and we could be returning this money to the taxpayers," he said.

Knutson said that the bill seemed to have an unprecedented number of projects such as community centers and pools. He asked about the criteria for funding the projects, including how needs are assessed, whether matches are required, and whether the bill is setting precedents for future years.

Langseth said that the larger number of projects than are usually funded would make him more uncomfortable if they were all funded through bonding. He said that many of the projects were paid for with cash, most of them on a one-to-one local match.

The motion to pass the conference committee report prevailed, and the bill repassed 46-21.

Senate confirms, adjourns

The Senate then took up the confirmation calendar. The appointment of George Perez of St. Paul to the Tax Court was approved. In addition, the appointments of Warren Satterlee, Lois West, and Elizabeth Whitbeck to the Board of

the Arts, Karen Carpenter as commissioner of the Department of Employee Relations, and Ken Nickolai as chief administrative law judge of the State Office of Administrative Hearings were also approved. Members also approved the appointment of Mahesh Kumar to the Board of Animal Health, and Marlene Malstrom and Armin Tesch to the Minnesota Rural Finance Authority. Next, the Senate confirmed the appointment of Peggy Moon to the Gambling Control Board, James J. Wychor to the Metropolitan Council, and John C. Farrell, Richard L. Pemberton and Cynthia Piper to the Minnesota Racing Commission. Senators also confirmed the appointments of Cyndy Brucato, Verna Kelly and Suzanne White to the Board on Judicial Standards. The appointments of Daniel G. Coborn, James Wafler, and Charles "Chuck" Williams to the Board of Trustees of the Minnesota State Colleges and Universities, and of Jack Amundson and Christopher A. Nelson to the Minnesota Higher Education Facilities Authority were also confirmed.

Members also approved the appointments of Fred Amram and Daniel Ferber to the Board of Invention, and J. LeRoy Koppendrayner and Gregory Scott to the Public Utilities Commission. DeeWayne Rognstad, Mary Jo Swanson and Gary Wingrove were all confirmed in their appointments to the Emergency Medical Services Regulatory Board. Finally, Ranum moved that the Senate confirm the appointments of the notaries public. The motion prevailed and the appointments were confirmed.

Ranum moved to take S.F. 3396, a reviser's bill correcting miscellaneous noncontroversial oversights and technical errors in legislation passed this session, from the table and amend it to correct errors in bills passed earlier in the day. The bill, as amended, was approved 62-0 on a roll-call vote.

The Senate then reverted to the Order of Business of Messages from the House. It was announced that the House had adopted the recommendation and report of the Conference Committee on S.F. 3346, the health and human services bill, and repassed the bill.

Sen. Ember Junge (DFL-New Hope) then moved that the Senate adjourn *sine die*. The motion prevailed.

1998 Chapters and Resolutions

Number	Senate File	Senate Author	House File	House Author	Description	Signature date
252	2111	Samuelson	2492	Anderson, I.	Fish house restrictions and license periods modifications	2/12/98
253	663	Higgins	661*	Biernat	Landlord and tenant law recodifications and clarifications.	2/18/98
254	2134	Betzold	2524*	Chaudhary	Revisor's bill.	2/18/98
255	1440*	Ranum	1554	Dawkins	Uniform certification of questions of law act adopted.	2/19/98
256	2017	Moe, R.D.	2372*	Lieder	Norman County Medical Center bid exemption	2/25/98
257	2261	Sams	2550*	Otremba	Rural hospital flexibility program.	2/25/98
258	2167	Metzen	2338*	Folliard	Gulf War veterans' bonus modification.	2/25/98
259	2156	Higgins	2499*	Stanek	Hennepin County Board small purchase limit increase.	2/27/98
260	2478*	Samuelson	2890	Tunheim	Savings association act maintained.	2/27/98
261	2345	Morse	2828*	Tingelstad	Commissioner of health public water supply approval authority modified.	3/4/98
262	2031*	Betzold	2390	Pugh	Real property conveyance provisions modified.	3/4/98
263	2028*	Sams	2576	Juhnke	Emergency vehicle signal operation modification	3/4/98
264	2379*	Metzen			Local government unit aid distribution clarification in township annexation.	3/4/98
265	2621*	Scheevel	2646	Jefferson	Reemployment insurance technical changes.	3/4/98
266	2122	Metzen	2590*	Jennings	Tenant security deposit interest rate increase.	3/4/98
Res. 5	2055	Pogemiller	2417*	Jaros	Congress memorialized to support the admission of Poland, Czech Republic and Republic of Hungary to NATO.	Filed without signature
267	2170*	Lessard	2425	Anderson, I.	Watercraft trailers and ATVs exempt from motor vehicle sales on Sunday prohibition.	3/5/98
268	2525*	Wiger	2927	McCollum	Ramsey County purchases from health care cooperatives.	3/5/98
269	2685*	Vickerman	3119	Olson, E.	Public officers contract interest authority clarification	3/5/98
270	2315*	Robertson	2811	Kahn	Director of Office of Technology membership to various organizations clarification.	3/5/98
271	2354*	Kiscaden	3734	Mares	Public employees insurance program expansion	3/6/98
272	2688	Terwilliger	3095*	Rhodes	Chaplain Sunday designation	3/6/98
273	2477*	Stumpf	2866	Kinkel	Dept. of Children, Families and Learning and Dept. of Economic Security reorganization codified.	3/9/98
274	2355	Lourey	3040*	Lourey	Long-term nursing care facility payroll documentation procedures modified.	3/16/98

275	2280	Higgins	2642*	Jefferson	Standard collection procedure exemption provided to overpaid reemployment insurance benefits.	3/16/98
276	2791	Wiener	2809*	McElroy	Audited financial statement copies provided to members of the local unit of government.	3/16/98
277	2255	Metzen	2616*	McElroy	Dakota County dangerous dog registration system city administration provided.	3/16/98
278	2849	Ourada	3071*	Wolf	Petroleum product specifications modified.	3/16/98
279	2457*	Flynn	3593	Larsen	Rural finance authority and housing finance electronic meetings authority permanency.	3/16/98
280	2047*	Novak	3148	Kubly	Manufactured home park owners limited dealers licenses.	3/16/98
281	1151*	Piper	1414	Leighton	Guardians and conservators appointment provisions modifications.	3/16/98
282	2402*	Stevens	2696	Munger	Merchandise pallets unauthorized possession or damage prohibitions.	3/16/98
283	2729*	Spear	3296	Long	Bicycle racks and storage facilities advertisements, public art and informational signs placement and maintenance authority.	3/16/98
284	2669*	Hottinger	2992	Greenfield	Day training and rehabilitation services business arrangements use and rate variance mechanism flexibility.	3/16/98
285	2163*	Knutson	3028	Pawlenty	Motor vehicle dealers licensing requirements exemption for charitable organizations.	3/18/98
286	2516*	Stevens	2777	Jefferson	Dept. of Employee Relations experimental or research projects authority expansion.	3/18/98
287	2245	Johnson, D.J.	2846*	Mahon	Automobile insurance premium reduction provided for completion of an accident prevention course.	Vetoed
288	668	Kiscaden	668*	Seagren	Industrial hygienist and safety professional title protection act adopted.	3/18/98
289	2677	Wiener	2601*	Mullery	Building and construction contract lien and claim waivers and subcontractor payments regulated.	3/18/98
290	2335	Johnson, J.B.	2612*	Jennings	Trunk highway #95 designated as state trooper Timothy Bowe Memorial Highway.	3/18/98
Res. 6	2786	Pappas	3250*	Garcia	President and Congress memorialized to enact the aircraft repair station safety act of 1997.	Filed without signature
291	2230*	Wiener	2779	Chaudhary	Elderly housing definition modification for discrimination prohibition exemption purposes.	3/18/98
292	2574*	Ten Eyck	2635	Skare	Headwaters regional development commission non-profit housing corporation establishment authority.	3/18/98
Res. 7	2699*	Lourey	3258	Greenfield	Resolution to remove Medicaid policy barriers to employment for people with disabilities.	Filed without signature
293	2608*	Wiener	3065	Dorn	Health insurance basic medicare supplement plans coverage for diabetes equipment.	3/18/98
294	3068*	Runbeck	3532	Betterman	Workers' compensation benefits special compensation fund reimbursement requirement elimination.	3/18/98
295	2540	Oliver	2500*	Rest	Customer loss or theft of a debit card limited liability provided.	3/18/98

296	1973	Johnson, D.E.	2222*	Juhnke	Cartways established by town boards upon owner petition.	Filed without signature
297	2293	Solon	2895*	Tomassoni	Township mutual insurance companies permitted investments expanded.	3/18/98
298	2945*	Stumpf	3442	Wenzel	Interstate emergency management assistance compact.	3/18/98
299	2266*	Belanger	2523	Johnson, A.	Gasoline and special fuels tax provisions recodification and clarification.	3/18/98
300	2570*	Belanger	2659	Olson, E.	Tax provisions technical corrections and and administrative changes.	3/18/98
301	1076*	Sams	1306	Hausman	Health plan coverage for off label use of drugs.	3/18/98
302	2384*	Johnson, J.B.	2790	Jennings	Chisago county recorder appointment; Rush City easements.	3/18/98
303	1583*	Hottinger	2043	Greiling	State agencies regulatory rules and program policy and obsolete, unnecessary or duplicative rules regulation.	3/18/98
304	2041*	Johnson, D.J.	2294	Long	Property tax rebate for tax pre-payments.	3/18/98
305	2372*	Lourey	2681	Slawik	Hepatitis B immunization required for children.	3/23/98
306	3016*	Johnson, D.J.	3524	Bakk	Qualified landfills authorized to accept materials from closed dumps.	3/23/98
307	2581*	Kiscaden	2508	Bishop	Olmstead county auditor/treasurer made an appointed position.	3/23/98
308	2281*	Pariseau	2824	Pugh	Dakota county housing and redevelopment authority employees not deemed county employees without county board consent.	3/23/98
309	2378*	Junge	2641	Rest	Corporate professional and professional services definitions expanded.	3/23/98
310	2316*	Murphy	2665	Juhnke	Intrastate hazardous material carriers provided continuation of the uniform registration and permitting program.	3/23/98
311	1654*	Ten Eyk	1882	Murphy	Real estate document filing and recording fees modified.	Vetoed
312	2269*	Stumpf	2686	Munger	Board of water and soil resources hearing and review provisions modified.	3/23/98
313	2373*	Betzold	2785	Entenza	Civil commitment release on provisions modified.	3/23/98
314	2725*	Betzold	3254	Kahn	County recorder and registrar functions provided additional methods.	3/23/98
315	2344	Oliver	2315*	Leppik	Trademarks and service marks regulated.	3/23/98
316	2207*	Hottinger	2401	Huntley	Federal drug enforcement administration registration number requirement exemption provided.	3/23/98
317	2447*	Sams	2786	Wejcman	Speech-language pathologist, unlicensed mental health practitioner, alcohol and drug counselor, physical therapists, and hearing instrument dispenser licensure requirements modified.	3/23/98
318	2381	Krentz	2489*	Holsten	Ramsey and Washington counties state trail extended.	3/23/98
319	3032*	Wiener	3355	Rest	Investments of insurers act adopted.	3/23/98
320	3036*	Betzold	2507	Macklin	Limited partnership withdrawals regulated.	3/23/98

321	2068*	Kelly, S.P.	2706	Kahn	Electronic message reliability and certification authorities required.	3/23/98
322	2911*	Vickerman	2920	Delmont	Lawful gambling revisions.	3/23/98
323	2262*	Novak	2750	Wenzel	Reinsurance intermediary brokers funds investment authority regulation.	3/23/98
324	1814*	Scheid	1116	Sekhon	Board provisions modifications.	3/23/98
325	2429*	Wiener	2667	Rest	Local government services advisory council membership increase and appointment process clarification.	3/23/98
326	3170	Moe	3644*	Sviggum	Combined school districts extended area telephone service voting requirements modification.	3/23/98
327	2136	Wiener	2309*	Leppik	Financial institutions consumer credit issuance and reporting equal treatment of spouses.	3/23/98
328	2659*	Wiener	3432	Wenzel	Life insurance company investments and transactions regulations modified.	3/23/98
329	2861*	Hottinger	3138	Evans	Emergency medical care automatic external defibrillators use liability immunity.	3/23/98
330	695*	Berglin	381	Greenfield	Nonprofit health care trust agreements or transactions regulation.	Vetoed
331	908*	Oliver	3748	Anderson, I.	Trust companies regulation provisions modification.	3/25/98
332	2252*	Wiener	2615	Pugh	DWI repeat offenders sentencing to intensive supervision and incarceration.	3/25/98
333	154*	Frederickson	176	Harder	Food donors liability limit.	3/25/98
334	2130	Foley	2814*	Tomassoni	Health plan companies durable medical equipment coverage requirement.	3/25/98
335	2550*	Fischbach	2016	Haas	Financial institutions mail loan solicitations regulation.	3/25/98
336	330*	Spear	1207	Paymar	Nonprofit corrections treatment facilities liability limit.	3/25/98
337	2493*	Junge	3389	McGuire	Financial institutions liability immunity for stolen or fraudulent checks information release to criminal alert networks or law enforcement agencies.	3/25/98
338	2040*	Foley	2861	Entenza	Child and medical support enforcement administrative process modification.	3/31/98
339	2267*	Novak	2625	Tomassoni	Workers comp self insurance regulation provisions modification.	3/31/98
340	2014	Oliver	2308*	Slawik	Accountant licensing provisions modified.	3/31/98
341	2296	Morse	3297*	Long	Statute of limitations provided for filing of actions under MERLA	3/21/98
342	76	Morse	113*	Munger	Extension of state lotter proceed dedication to environment and natural resources trust fund constitutional amendment.	3/31/98
343	2966*	Scheid	2983	Tunheim	MN Residential Mortgage Originator and Servicer Licensing Act.	3/31/98
344	2489*	Solon	2971	Entenza	Residential mortgage loans regulated and table funding requirements established.	3/31/98
345	2797	Novak	3042*	Jennings	Long-distance telephone provider slamming and loading disclosure requirements expanded.	3/31/98

346	2149*	Scheid	2387	Folliard	Voter record address change updates.	
347	2221*	Wiger	2567	McCollum	Ramsey County open absentee ballot system pilot program extension.	
348	2445*	Novak	3324	Ozment	One call excavation notice system modification.	
349	2302*	Scheevel	2774	Kuisle	County optional forms of government adoption referendum procedure clarification	
350	2847	Ourada	3070*	Wolf	Decorative gas lamp prohibition variance provided.	
351	2520	Flynn	3068*	Solberg	Public employee labor agreements ratified.	
352	2148*	Scheid	2526	Osthoff	Absentee voting eligibility expansion.	
353	3397*	Spear	3841	Entenza	Air carriers agreements franchise law retroactive exemption application exclusions.	
Res. 8	3406	Stumpf	3854*	Anderson, I.	U.S. memorialized to resolve differences between Province of Ontario and the State of Minnesota regarding Canadian waters and the taking of fish.	
354	2949	Ranum	3332*	Skoglund	Open adoption agreements modified	4/03/98
355	1074*	Kelly, R.C.	1693	Pugh	Public safety dispatchers as essential employees under PERA.	4/03/98
356	1946	Stumpf	2673*	Rest	Compensation increase provided for state employees on leave serving as Red Cross disaster volunteers.	Filed without signature
357	1480*	Cohen	1668	Entenza	Minnesota Free Flow of Information Act disclosure provisions.	Filed without signature
358	3084*	Janezich	3465	Tomassoni	Hibbing taconite company employees additional reemployment insurance benefits.	Filed without signature
359	2730*	Robertson	2947	Hilty	Administration Department provisions modifications.	4/03/98
360	2192*	Frederickson	2700	Harder	Local government units corporations creation clarification.	
361	3207	Knutson	3184*	Skoglund	Prenatal alcohol abuse voluntary reporting and legislative report provided.	4/06/98
362	3393	Kelly, R.C.	3830*	Olson, E.	Payment of claims against the state.	4/06/98
363	2719	Novak	3145*	Rest	Low income housing tax credit allocation and compliance monitoring review provided.	4/06/98
364	2274*	Solon	2695	Tunheim	Omnibus liquor bill	4/06/98
365	2532*	Piper	2803	Kinkel	Omnibus family and early childhood education programs supplemental appropriations.	Vetoed
366	3354*	Price			Omnibus state departments supplemental appropriations.	4/06/98
367	3345*	Kelly, R.C.			Omnibus crime prevention and judiciary supplemental appropriations.	4/06/98
368	2205	Lourey	2736*	Hilty	Counties authorized to provide grants to nonprofit community food shelves.	4/09/98
369	2751*	Anderson	3459	Greiling	Employers to make reasonable accommodations for nursing mothers.	4/09/98
370	2118*	Higgins	2293	Jefferson	Minneapolis absentee voting pilot project.	Vetoed

371	1378*	Betzold	1626	McGuire	Government data classification and dissemination provisions.	Filed without signature
372	3298*	Johnson, J.B.			Omnibus transportation supplemental appropriations.	4/07/98
373	2414	Frederickson	2708*	Juhnke	Agricultural marketing and bargaining advisory committee established.	4/09/98
374	3367*	Beckman			Omnibus jobs, housing and economic development supplemental appropriations.	Vetoed
375	2928*	Hottinger	3402	Dauids	Insurance company affiliates rebating activities prohibition.	4/09/98
376	2256*	Marty	2486	Greiling	Elections provisions modifications for constitutionality purposes	4/09/98
377	2586*	Kelly, R.C.	2326	Bishop	Sex offender treatment and release notification requirements modification.	Recalled by author
378	2718*	Kelley, S.P.	3064	Clark, K.	Telephone assistance plan provisions modifications.	Vetoed
379	2756	Novak	2722*	McCollum	Red tag issuance authorized for underground petroleum storage tank violations	4/09/98
380	3189	Novak	3654*	Jennings	Electric industry restructuring comprehensive study required.	4/09/98
381	535*	Wiger	680	McElroy	Metropolitan Council services redesign and service efficiency pilot project.	
382	2276*	Knutson	2784	Dawkins	Child support enforcement provisions modifications.	
383	3411	Hottinger	3862*	Johnson, R.	Tornado relief bill.	4/09/98
384	3297*	Stumpf	3569	Pelowski	Omnibus higher education supplemental appropriations.	4/09/98
385	2645*	Wiger	3268	Dawkins	Metropolitan Council and agency contractors affirmative action plan requirements.	
386	726*	Knutson	384	Kahn	State agencies procurement process modification	
387	161*	Wiener	103	Greiling	Constitutional amendment to abolish office of state treasurer.	4/09/98
388	2407*	Junge	2532	Chaudhary	Dirvers license provisions modifications.	
389	2985	Johnson, D.J.	3840*	Long	Omnibus tax bill.	
390	2555	Morse	2970*	Kahn	Omnibus pension bill.	
391	2351*	Vickerman	3140	Kalis	State park additions and deletions specified.	
392	41*	Lessard	3808	Hosten	Constitutional amendment relating to hunting and fishing.	
393	2346*	Flynn	2357	Wejcman	Minneapolis civilian police review position authorized.	
394	1181*	Moe, R.D.	349	Kahn	Industrial hemp use study.	
395	3409	Stumpf	3853*	Tunheim	Crop insurance emergency assistance provided.	
396	2498*	Kelly, R.C.	2734	Bishop	Sex offender registration law expanded.	
397	2082*	Pogemiller	2174	Kelso	K-12 educations statutes recodification.	
398	3378	Pogemiller	2874*	Kelso	Omnibus K-12 education supplemental budget bill.	

399	2050*	Junge	2521	Bishop	Advanced health care directive provisions modified.
400	1169*	Stumpf	1351	Hasskamp	Personal watercraft operation restrictions increased.
401	3353*	Morse	3799	Osthoff	Omnibus environment and agriculture supplemental budget bill.
402	816*	Dille	2065	Winter	Provisions relating to animal welfare modified.
403	2592*	Johnson	2589	Wagenius	Department of Transportation housekeeping bill.
404		Langseth	3843*	Kalis	Omnibus capital budget bill.
405	2318	Sams	2654*	Mahon	License provisions clarified.
406	2682	Ranum	2985*	Entenza	Child welfare reform.
407	3346*	Samuelson	2868	Greenfield	Omnibus health and family security supplemental budget bill.
408	3396*	Ranum	3839	Skoglund	Revisor's bill.

Floor action

Friday, April 3

Conference committee reports adopted and repassed

H.F. 2708-Frederickson: Provides for associations of producers and sets procedures for agriculture production and marketing dispute resolution. 61-0

S.F. 3353-Morse: Omnibus environment and agriculture supplemental appropriations bill. 44-16

S.F. 3367-Beckman: Omnibus economic development supplemental appropriations bill. 41-12

S.F. 2256-Marty: Eliminates or modifies elections statutes that have been ruled unconstitutional. 51-0

S.F. 2718-Kelley, S.P.: Modifies the telephone assistance program, provides for enrollment of low income persons, provides for a surcharge on cellular telephones, and specifies that current enrollees will maintain the current level of benefits. 35-19

S.F. 2586-Kelly, R.C.: Requires sex offender treatment facilities to provide information regarding sex offenders, clarifies which law enforcement agency may request the end-of-confinement review committee to reassess the risk level to which an offender has been assigned and adjusts the time within which certain requirements of the community notification law must be met. 55-0

Bills granted final passage on Special Orders

H.F. 3654-Novak: Modifies the membership of the Legislative Electric Energy Task Force and requires a comprehensive study of electric industry restructuring. 60-0

S.F. 2592-Johnson, J.B.: Transportation technical bill. Authorizes advance payment when required by federal govern-

ment for transportation project, regulates snow fence easements, highway closures and signs, changes distributions from the highway user tax distribution fund and provides for the costs of town highways and bridges. 57-0

Monday, April 6

Conference reports adopted and repassed

S.F. 726-Knutson: Revises state procurement procedures. 53-6
Vote reconsidered and bill returned to conference Tuesday, April 7.

Tuesday, April 7

Conference reports adopted and repassed

H.F. 2722-Novak: Provides penalties for violations of underground storage tank statutes and rules and provides for a study. 61-0

H.F. 3654-Novak: Modifies the membership of the Legislative Electric Energy Task Force and requires a comprehensive study of electric industry restructuring. 62-0

S.F. 535-Wiger: Provides for Metropolitan Council service redesign and employee compensation for exceeding redesign plan goals. 63-0

S.F. 2276-Knutson: Modifies parentage and child support enforcement provisions. 59-0

Bills granted final passage on Special Orders

H.F. 3862-Hottinger: Provides disaster relief for Southern Minnesota communities struck by tornados Sun., Mar. 29, 1998. 66-1

H.F. 3853-Stumpf: Provides emergency financial relief for farm families in certain counties hit by certain crop diseases and establishes a temporary program of assistance for federal crop insurance premiums. 59-0

Wednesday, April 8

Conference committee reports adopted and repassed

S.F. 3297-Stumpf: Higher education supplemental appropriations bill. 66-0

S.F. 3346-Samuelson: Omnibus health and family security supplemental appropriations bill. 48-19

S.F. 2407-Junge: Establishes a graduated driver's license system and provides for youth oriented driver's training. 39-25

S.F. 2645-Wiger: Modifies requirements for affirmative action plans by certain contractors doing business with the state. 65-0

S.F. 726-Knutson: Modifies the state procurement process in purchasing goods and services. 61-2

S.F. 161-Wiener: Proposes a constitutional amendment to abolish the State Treasurer's Office. 63-2

S.F. 41-Lessard: Proposes a constitutional amendment to affirm that hunting and fishing are a valued part of our heritage that shall be forever preserved for the people and shall be managed by law and regulation for the public good. 57-8

Bills granted final passage on Special Orders

S.R. 101-Johnson, D.H.: Senate Resolution recommending the admission of the Baltic States of Estonia, Latvia, and Lithuania to the North Atlantic Treaty Organization. 37-18

S.F. 3416-Stumpf: Clarifies provisions governing actions for fraud under the Uniform Commercial Code. 51-11

Thursday, April 9

Conference committee reports adopted and repassed

S.F. 2351-Vickerman: Provides for state park additions and deletions, provides for Zippel Bay state park permit exemption, and establishes Garden Island state recreation area in Lake of the Woods county. 62-0

H.F. 3840-Johnson, D.J.: Omnibus tax bill. 66-1

H.F. 3853-Stumpf: Provides for crop insurance emergency assistance, provides procedures for voluntary agricultural dispute resolution, modifies conditions for timber permit extensions, and sets forth uniform commercial code agricultural financing statement and collateral requirements. 66-0

S.F. 2050-Junge: Modifies provisions governing advance health care directives and combines laws governing living wills and durable power of attorney for health care. 47-20

H.F. 2970-Morse: Omnibus pension bill. 61-0

S.F. 1169-Stumpf: Increases restrictions on personal watercraft, imposes additional requirements on renters and dealers of personal watercraft, exempts emergency, safety, and enforcement watercraft from certain watercraft restrictions, sets hours of operation and provides for a youth education program. 51-10

S.F. 816-Dille: Requires a court order issued on a complaint of animal cruelty to require that a peace officer be accompanied by a veterinarian, modifies requirements for the care of equine animals, repeals restrictions on clipped animals, changes dog house specifications, and provides for mediation of disputes concerning rules relating to feedlots. 60-0

S.F. 2592-Johnson, J.B.: Dept. of Transportation housekeeping bill. 61-0

H.F. 2874-Pogemiller: Omnibus K-12 education supplemental budget bill. 62-3

S.F. 3346-Samuelson: Omnibus health and family security supplemental budget bill. 64-2

H.F. 3843-Langseth: Omnibus capital budget bill. 46-21

Bills granted concurrence and repassage

S.F. 2346-Flynn: Provides for the appointment of the Minneapolis civilian police review executive director, and repeals the Minneapolis firefighters' age ceiling. 66-0

S.F. 1181-Moe, R.D.: Provides for a study of industrial hemp. 59-1

S.F. 2498-Kelly, R.C.: Requires sex offender treatment facilities to provide certain information regarding sex offenders, clarifies which law enforcement agency may request the end-of-confinement review committee to reassess the risk level to which an offender has been assigned, adjusts the time within which certain requirements of the community notification law must be met, eliminates duplicative efforts on notifying victims of certain information, specifies required registration information relating to sexual offenders, requires certain offenders moving into Minnesota to register within five days, authorizes adult and juvenile offender registration information to be maintained together, expands prosecutorial jurisdiction. 58-0

S.F. 2082-Pogemiller: Recodification of statutes relating to K-12 education. 54-0

Bills granted final passage on Special Orders

S.C.R. 13-Terwilliger: Resolution encouraging open, sincere, and diligent negotiations with the Minnesota Twins. 61-0

H.F. 2654-Sams: Dept. of Public Safety housekeeping bill. 62-0

H.F. 2985-Ranum: Provides for child welfare reform, changes requirements and procedures and establishes programs for child abuse and neglect assessments and investigations. 63-0

S.F. 3396-Ranum: Revisor's bill correcting miscellaneous noncontroversial oversights, inconsistencies, ambiguities, unintended results and technical errors. 62-0

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